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FINANCIAL TIMES

No. 27,440 Tuesday December 20 1977 ***12p

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NEWS SUMMARY

GENERAL
Labour pledges wealth tax
Barrett told the TUC and Party Liaison Committee the Government would start immediately on a White Paper on the wealth tax with a view to legislation in the first session of the Parliament.
Need for such a tax was agreed unanimously by the Party.

BUSINESS
Sterling stronger; new rise in gilts
STERLING closed at \$1.8735, a gain of 1.85 cents, after touching \$1.8745, its best level since April last year. Its trade-weighted index rose to 64.1 (63.7). Dollar's trade-weighted depreciation widened to 4.63 (4.12) per cent. Back Page

side pressures
Shawcross, chairman of the National Commission on Extortion, described to a meeting of the Royal Institute of International Affairs how the ICC had set up an international pressure group to bring down the extortion rate for the control of international business practices.

ban lifted
Television plans to broadcast its documentary on work conditions with companies in South Africa. Deputy judge Eldam quashed the injunction which had granted earlier to Lyle and the High Court in South Africa. The Rand Mail has detailed conditions of work and made about pay and conditions. The allegations are generally the same as those in the film. Page 7

reshuffle
Phillip Lynch, former Minister for Industry Commerce in Mr. Malcolm Fraser's new Government. Mr. Lynch, who took over the Treasury because of the resignation of the late Mr. Lynch, is expected to be replaced by Mr. Lynch. Page 5

base attacked
Nationalist guerrillas in Rhodesia's biggest base, killing one of the security forces' leading officers. Representatives of the African Front in Rhodesia have announced their support for the Patriotic Front in its war against Rhodesia. The Patriotic Front has expressed support for the Patriotic Front in the Angolan settlement plan. Page 5

box search
Navy frogmen are looking for bodies and the wreckage of the Soviet ship which crashed into the sea off the coast of Madeira on Sunday. Nineteen bodies have been found, 17 are still missing. Five people survived. Page 5

Test Match
England and Pakistan in Lahore in a draw. Page 2
Polish guerrillas in an attack on Mauritania. Thirty Mauritians were killed in the fight. Page 5

new tube train service
New Airport was disrupted for 45 minutes by a signal failure in the final section. Page 5
Secretary farmhouse at New Kent, owned by Christy College, Oxford, to be sold from demolition. Page 5
Johanna of the Netherlands on a new Centre Cabinet—headed by Mr. van Aarts. A Christian Party—bringing to an end the longest political crisis. Page 5

PRICE CHANGES YESTERDAY

100-100	152	+6
Newcastle	270	+5
Newsprint	143	+5
Robertson Foods	151	+9
Stewart Plastics	151	+9
Talbot	151	+9
Tomatin	98	+6
Trafford Park	480	+10
Union Discount	204	+12
Yorkshire	61	+12
Yorkshire Inv.	61	+12
York Traller	67	+4
Cluff Oil	450	+23
Poncontinental	900	+23

FALLS

Brown (J.)	340	-7
Shaw Carpets	20	-5
Oll Expln.	280	-5
Anglo American	285	-5
Union Corp.	255	-5

Sadat and Begin meet again on Christmas Day

BY ROGER MATTHEWS, CAIRO; Dec. 19

President Anwar Sadat of Egypt and Mr. Menahem Begin, Prime Minister of Israel, are to hold their second meeting in just over five weeks at Ismailia on Christmas Day.

Confirmation of the widely expected meeting comes amid opposition in Egypt and other Arab states to peace proposals spelt out in the U.S. on Sunday by Mr. Begin. The date of the Egyptian summit was confirmed by one of Mr. Begin's aides in New York while the semi-official Middle East News Agency reported from Ismailia on the venue. It is likely to be a less spectacular affair than Mr. Sadat's three-day visit to Jerusalem last month. Mr. Begin is expected to arrive at a nearby military airfield and travel to Ismailia by helicopter where the two leaders will have talks followed by a joint press conference. The visit is likely to last only one day. It is suggested that the two men will try to agree on a set of general principles which it is hoped will lead to an agreement of the Cairo conference to Foreign Minister level, to be followed by further negotiations before the final move to Geneva.

Until the Ismailia meeting there is little the Cairo conference of Egyptian, Israeli, U.S. and UN representatives can achieve. This was underscored to-day when the third session, which followed a three-day recess, lasted only an hour. So far, it has devoted itself to discussing procedural issues. Conference sources continue to stress the cordial atmosphere of the talks and the growing frequency of informal meetings between Egyptians and Israelis. Egyptian reaction to Mr. Begin's partial revelation of his peace proposals last night has ranged from cautious optimism to open contempt. Officially it is said that the Israeli plan needs major amendments but holds out the hope for real progress towards peace. Those Egyptians who were any way sceptical if not totally opposed to Mr. Sadat's gesture in visiting Jerusalem found in Mr. Begin's proposals confirmation of their belief that the Israeli Government will never offer anything more than cosmetic concessions, especially on the issue of the occupied West Bank.

Difficulty
Certainly Mr. Begin's proposal of an autonomous West Bank in which Israel could continue to establish settlements and provide security for "Palestinian Jews" seemed to offer little movement towards Mr. Sadat's demand for an independent Palestinian state. Some officials here saw the proposal as akin to black homelands in South Africa. Others regarded it as an initial negotiating stance capable of substantial further amendment. According to one official, the important point was that proposals were being made, which in itself was a sign of movement.

Earnings increase rate starts to edge upwards

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of increase in earnings is beginning to edge upward, though delay in agreeing on pay settlements is obscuring the underlying trend. Available evidence points to a rise in total labour costs slightly above the Government's Phase Three 10 per cent guidelines.

Figures announced yesterday by the Department of Employment show that average earnings rose by 2.8 per cent in the first three months following the end of Phase Two of the Government's pay policy on July 31. This is equivalent to an annual rate of more than 11 per cent. In October the index rose by 1.5 per cent to 294.6 (January, 1970=100, seasonally adjusted) for an increase in the last 12 months of 9.5 per cent, compared with a 1977 low of 8 per cent in the year to August.

The significance of both the October rise and the three-month trend should not be exaggerated, since the increases partly reflect belated Phase Two deals, back pay and clear distortions of the usual seasonal adjustment apparent in recent years. Only a handful of workers had settled on post-Phase Two deals by the middle of this month. The 7 per cent of the workers expected to be covered by major deals had settled, compared with normally about 30 per cent by this stage of the pay round. The agreement yesterday by local authority manual workers raised the number who had settled to 15 per cent, and was obviously welcome news to the Government as it tried to maintain the increasingly ambiguous 10 per cent guidelines. Officials claimed that 90 per cent of the workers covered by major settlements so far, excluding the local authority manual workers, had agreed within the official guidelines. The main exceptions were the agreements at Ford and Vauxhall. Talks continue with heating, ventilating and plumbing workers. The Whitehall line is still one of "quiet optimism" on the view that basic wage settlements in the current round are emerging below 10 per cent. It is not clear how this fits in with the 10 per cent earnings limit in view of the possibility of drift slippage and extra overtime. It is impossible to estimate the impact of the extra productivity element in many deals, though this has probably made no significant difference to published earnings so far. While there are few public breaches in the policy so far, the widespread view, both among forecasters and in Whitehall, privately, is that the earnings outcome for the year will be around 15.

The Department of Employment published its new earnings index yesterday, covering 10m workers, rather than 8m on the old series. This has not operated long enough to show short-term trends, but the increase in the 12 months to October was 9.7 per cent, or 11.7 (January, 1970=100). The index of basic weekly wage rates of manual workers rose by 4.5 per cent to 239.2 (July, 1973=100) in the year to November. This index has hardly changed in recent months and is not regarded as a reliable guide to the underlying trend, in the absence of any national agreement for the engineering workers since February, 1976.

Swedish Match sells part of Wilkinson stake to U.S. group

BY KEITH LEWIS

SWEDISH MATCH has sold the greater part of its holding in Wilkinson Match to Allegheny Ludlum Industries, the largest specialist steel manufacturer in North America.

Allegheny paid \$15.9m for 6.5m shares—representing 29 per cent of the Wilkinson Match equity—which will leave Swedish Match with a stake of just under 4 per cent. The transaction has been welcomed by the U.K. Board of Wilkinson Match, which was told that negotiations were in progress between the two parties. The deal comes at a time when Swedish Match has been in a period of reorganisation, following the appointment of a new managing director. Both sides have emphasised the industrial logic of the move. Wilkinson Match in the U.K. argues that it will have not only a continuing foothold in Sweden, but a reintroduction to the lucrative U.S. market for garden tools and fire extinguishers. It is also expected that the closer relationship will provide an introduction to U.S. aviation and military customers. Allegheny is involved mainly in the manufacture of special steels and alloys, but also has a consumer products division which produces garden tools and sporting goods. The company recently acquired Chemetron Corporation, which has similar interests in fire protection and detection systems to those of the Safety and Protection Division of Wilkinson Match. How the future relationship is to be developed will be announced in the next few days. Total sales of Allegheny in 1976 amounted to \$880m, on which net profits of \$7m were generated. It is expected that sales in the current calendar year will be about \$980m, and analysts anticipate profits of \$28m. Earlier this month Wilkinson Match announced pre-tax profits of £7.2m for the six months ending September 30, 1977, which compares with £6m in the same period of the previous year.

France delays EEC steel tariff plan

BY DAVID BUCHAN BRUSSELS, Dec. 19.

FRANCE WAS to-night holding up agreement on a new Brussels proposal to impose a special penal tariff on steel imports entering the Community and sold below a minimum price for the first two months of next year. This system, which resembles the proposed U.S. "trigger price" for steel, would then give way to a system of negotiated price and quantity restraints. The Commission's last minute redrafting of its steel policy to head off criticism of protectionist-minded member states seems largely successful to-night. Mr. Edmund Dell, the U.K. Trade Secretary, gave his backing to the scheme.

But the French Government with the threat of large steel import reductions seems to be largely successful to-night. Mr. Edmund Dell, the U.K. Trade Secretary, gave his backing to the scheme. But the French Government with the threat of large steel import reductions seems to be largely successful to-night. Mr. Edmund Dell, the U.K. Trade Secretary, gave his backing to the scheme.

Two of the U.S. steel industry's most troubled producers, Wheeling Pittsburgh Steel Corporation and Bethlehem Steel Corporation, have announced the first wave of price increases expected from the industry in 1978. Page 6

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The Jolly Spectator

by DENYS SUTTON, Editor of Apollo

Yale University has long been known as a place where the nineteenth-century English civilisation is followed, with such periodicals as the Yale Review and the Yale Walpole Journal, and the late C. B. Rowlandson's drawings should

Inker was one of those teachers who did much to inspire a generation with a passion for this period. Thus it is appropriate that a large-scale show of his credit, and the late C. B. Rowlandson's drawings should



Thomas Rowlandson: The Duchess of Devonshire and Lady Duncannon

he on view at the Yale Center for British Art. This exhibition, which consists of 120 items, provides an excellent opportunity for some assessment of an artist whose contribution has given rise to discussion in recent years. On this occasion, John Rieley who is responsible for the detailed catalogue, also attempts to establish a chronology of Rowlandson's work. Although the dating of Rowlandson's drawings may be considered to be rather a narrow occupation, the assessment of his artistic personality is much more important.

Rowlandson's variety is attractive. So is his vigour and it is not surprising that William Walton's spirited piece *Portrait of Rowlandson* owes its inspiration to Rowlandson.

Dr. Rieley's catalogue is full of interesting tidbits of information but here and there he is apt to exaggerate as in his note on *Backs of the First Head*. He writes that the "necessity for 'cynical'." The way of young men with attractive girls has hardly differed down the ages; it has been to make a pass whenever possible, and the two are not so different as he would have us believe. Rowlandson is so often thought of as a commentator on the human scene that it is pleasant to be reminded of his delight in women lived and how places recording the English scene. He looked, but his vision was a glamorised one, just as much as the *Portrait of Rowlandson* is a case in point—and he did a number of drawings of country life, observing the comedy of life.

Not much is known about Rowlandson's trips abroad. One is reflected in *Travelling in France*, which suggests that in representing such scenes, Rowlandson was influenced by his love of the theatre; the background has the air of a stage set. Dr. Rieley finds the composition over-crowded and awkward, but some may well consider that the bustle gives it individuality.

Another interesting water-colour is the view of the market place at Juliers in Westphalia which dates from 1791. Dr. Rieley suggests that this may have been worked up by Rowlandson from a drawing by Matthew Mitchell, with whom Rowlandson met at least one continental tour. Dr. Rieley also considers that the artist may



Nigel Douglas, Julian Moyle and Bryan Drake

Welsh National Opera in the Midlands

by RONALD CRICHTON

The Midlands base of the Welsh National Opera is now established at the Birmingham Hippodrome. Near capacity houses last week in this large theatre (four weeks at Birmingham are planned for the season, with 12 different operas, six of them new) were an encouraging sign. Even Britten's *Billy Budd*, an opera rightly admired but unlikely to be overwhelmingly popular, was well attended. *Bohème* (reviewed last week) and Verdi's *Mosè in Egitto* were the day romances when our major cities, with or without central Government aid, build their own lyric houses, opera in our regions will continue to be shaped to some degree by obsolete theatre conditions—chains of playhouses built primarily for touring shows from the West End, with a big wedge of Christmas pantos every winter.

Michael Geliot's celebrated production of *Budd* (designed for Cardiff) sat well on the large stage at Birmingham, although the scene changes caused audible difficulties—it is a pity to have such a long pause after the chord sequence that accompanies Captain Vere's unseen interview with Billy. Nigel Douglas has returned to the chorus—springing implied in the *Patrician*—would break any

Richter-Haaser in Beethoven

The City of Birmingham Symphony Orchestra will be promoting the second of its Beethoven Festivals in Birmingham Town Hall (May 4-11) when all nine symphonies will be played. In their order, in a week, with the German pianist Hans Richter-Haaser as soloist.

son de la Radio, Paris

Gwendoline

by RONALD CRICHTON

Chabrier to the Opera? Influence on him is seen not so much in the obvious places of *Gwendoline*. Very different from *Chabrier*, away like a Rhinemaiden, but his first full-length opera seen at the Palais Garnier and then, in shadowed, neglected. He wrote *Gwendoline* in the early 1880s, the comic opera *Le Roi et le moine* in the mood of the second-act love duet for a Munich in hour Tristan. *Gwendoline* and Harald, night-company of Dupare and Intoxicated music by a composer in France, writers made noise about Wagner. It was to the critic Claude Mendès Harlier turned for his sacred monsters of the Readers of Cocteau may be a brilliant, not wholly pathetic, sketch of him in *Le Souvenir*. He married Ganner, daughter of a best than himself, and of the transient fames to simulate Wagner to acts of creation. Judith, weak, stoaked the fires for *Le Roi et le moine*, never undignified a position near in the throne. *Gwendoline* indicates an ability to perceive the invention and experiment which Wagner functioned as dramatic.

plot will do—at a pinch Britain is under attack, Danish marauders, Harald, of one Danish hand, falls Gwendoline, daughter of a knight, Arnel. She is in return, Arnel plans the wedding-night to trap on the Danes, Gwendoline a knife to Harald. She tries to warn he is too besotted to see the cliffs, pursued by the Savons, who fatally wound Harald. Gwendoline with her knife on herself, dies together. Gwendoline varies from the fatal to the fatuous. She is quite super-G. or M." But neither Gounod's *Chabrier* wrote on the score for the composer's compatriot, the *Maure Requiem* undeniably maddeningly undid by this one means the treachery Victorian sentimentality that descended on a

Westminster Theatre

Rupert's Christmas Adventure

The only relevant critics of Christmas shows for children are children, and judging by the enthusiasm with which they joined in *Rupert's Christmas Adventure*, this will be a bit with all but the younger. A nine-year-old second opinion, pressed into service for the occasion, enjoyed it all but in rather a detached manner.

You could see her point. Nothing that happened on stage was worth a gasp of surprise—characters hatched into each other and fell down a window, faded in scene changes by switching a bottle and a glass; the script's only attempt at humour was a few puns quite beyond the audience; the stock appeals for support from the characters got the stock shout of "He went that way" and "Oh, no, you won't" from the stalls. But still the children loved it.

Roughly the plot, which threatened never to get started, revolved around Rupert being captured by Mexican outlaws on their way to Sherwood Forest and his success in winning them over by finding their chief's lost son; or rather Pup, a tracker dog, does the finding. But then Rupert must be the most untalented hero ever to capture the imagination of children, and he had a tendency to say "Golly, golly, gosh" when under stress his attributes are invisible. He is not helped by being played rather huckably by Zelah Clarke with a slipped microphone (the animal characters wear masks which impede their Christmas speech). In fact *Rupert's Christmas Adventure* is much more lively when Bill Badger, Edward Trunk and the rest of Rupert's chums have nipped around the back and changed themselves into outlaws—those masks would inhibit Lord Olivier.

Theatre Awards

Yesterday it was the turn of Plays and Players to announce its theatrical awards for 1977, based on a poll of 21 London theatre critics. The results were: Best new play: *The Old Country* by Alan Bennett. Best new musical: *Edging Wood*. Best performance by an actor: Alan Howard in *Wild Oats*, *Coriolanus*, *Henry VI*. Best performance by an actress: Alison Steadman in *Abigail's Party*. Best performance by an actor in a supporting role: Timothy West in *Hamlet*. Best performance by an actress in a supporting role: Washbourne in *Stevie*. Most promising new performer: Ian McDiarmid for work at the RSC. Most promising new playwright: Mary O'Malley for *Once in Catholac*. Best production (director): William Gaskill for *The Madras House* and Terry Hands *Henry VI*. Best production (Designer): Hayden Griffin for *Madras House*.

val Hall

Serge Baudo by MAX LOPPERT

Interesting all-French concert for Sunday's Royal was a direct consequence of Mr. Baudo's impetus, to which by a Frenchman, Serge Baudo, and *Madrigal*, near-standstill, which gave the lie to the preface the most authentic scores are always given by the composer's compatriot, the *Maure Requiem* undeniably maddeningly undid by this one means the treachery Victorian sentimentality that descended on a

Young Artists' Recitals 1977/78

The ISM is pleased to announce that the next series of Young Artists' Recitals will be given on Tuesday, January 3, Wednesday, January 4 and Saturday afternoon January 23, 1978, at the Wigmore Hall. This is the nineteenth in a

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EUROPEAN NEWS

Britain undecided over EEC textile arrangements

BY GUY DE JONQUIERES

BRITAIN TOLD the Brussels Commission to-day that it could not decide whether to approve the results of the recent EEC negotiations with low-cost textile supplier countries until it received further detailed information on how they would affect the U.K. market.

BRUSSELS, Dec. 19.

Foreign Minister and current President of the Council, said to-day that he was not prepared to dissolve the present meeting, which is due to end to-morrow, until a firm decision had been taken one way or the other.

Swearing-in of Dutch Cabinet ends crisis

By Michael van Oo

AMSTERDAM, Dec. 19. THE NEW Dutch Centre-Right cabinet was finally sworn in by Queen Juliana at her Soestdijk Palace this morning, ending a nine-month Government crisis.

French ambiguity over air attack on Polisario Front

BY ROBERT MAUTHNER

PARIS, Dec. 19.

THE FRENCH Foreign Ministry to-day refused either to confirm or deny a statement by the Algerian-based Polisario Front, which fighting for an independent Western Sahara, that French military aircraft attacked its guerrilla troops with napalm last week.

aircraft had been involved in other than aerial reconnaissance operations, serious doubt has now been thrown on the veracity of this statement by the French wording of the French communiqué.

Forecast of slow growth in Scandinavia

By William Dullforce

STOCKHOLM, Dec. 19. ECONOMIC growth in Denmark, Finland, Norway and Sweden will continue to be well below the average for the OECD bloc this year and next, according to a joint report by the four federations of industry. It forecasts an aggregate growth in gross domestic product of 0.5 per cent this year and 1.5 per cent in 1978.

Deadlock broken in Belgrade

BY PAUL LENDVAI

VIENNA, Dec. 19.

AFTER A week-end war of nerves, the deadlock at the 35-nation follow-up conference on European security in Belgrade was broken to-day at noon when the Soviet delegation finally accepted a five-week working programme up to February 10, drawn up by Austria and three other neutrals, Sweden, Switzerland and Finland.

the debate on the review of implementation of the provisions of the 1975 Helsinki Final Act. It was only after many mediation efforts by Ambassador Helmut Liedermann, the Austrian chief delegate, and informal talks conducted to-day by Ambassador Per Fischer, the chief of the West German delegation, and Mr. L. Mevik, the Norwegian Ambassador, that the Soviet Union was willing to soften what was a hard-line position.

Tobacco tax harmony move

BY OUR OWN CORRESPONDENT

BRUSSELS, Dec. 19.

KING-SIZE cigarettes will be cheaper in Britain and smaller broods more expensive, as a result of a decision taken by EEC finance ministers to-day to take a step further in the harmonisation of tobacco taxes.

budgetary unit of account based on real exchange rates. The own-resources system was due to be introduced at the start of next year. But a delay now seems inevitable, since Britain is the only country to have passed the necessary enabling legislation and such action is necessary in at least three member countries before the scheme can go ahead.

Company powers grow in Hungary

By Our Own Correspondent

VIENNA, Dec. 19.

HUNGARIAN STATE enterprises will receive increased decision-making powers under a new law just approved by Parliament in Budapest. Though subject to central planning and control, the companies now have legal guarantees that they can independently dispose of their assets and labour force.

Cyprus civil service purge 'soon'

BY OUR OWN CORRESPONDENT

PRESIDENT Spyros Kyprianou, of Cyprus, has said that a purge of the civil service against the late President Makarios is under way. Some 2,000 cases are under investigation, he said, and the machinery to deal with them was set up a long time ago, but the Government had so far been moving too slowly and cautiously.

over 50,000, said the purge would be completed "as soon as possible". Complete purge has been demanded for a long time, mainly by Left-wing political parties and organisations. Apparently replying to criticism from some quarters that he had treated the kidnappers, believed to be EOKA-B elements, rather leniently, Kyprianou said that the Government would deal with "resoluteness, firmness and mercilessly with any similar acts of lawlessness and terrorism."

E. German writer emigrates

BY LESLIE COLLITT

BERLIN, Dec. 19.

ANOTHER leading East German writer, Herr Jurek Becker, has joined the exodus of non-conformist authors to the West that began with the expulsion last year of Herr Wolf Biermann, the political poet and balladeer.

Zambia printing Zambia's two national newspapers and the Government printers may be forced to close due to lack of foreign exchange needed for imported printing supplies, Renter reports from Lusaka.

Turkey-IMF negotiations adjourned

By David Tonge

ANKARA, Dec. 19.

THE TALKS between Turkey and the International Monetary Fund broke up to-night without any formal agreement apparently reached. The IMF team is due to leave tomorrow and is not expected back until early next year.

Swiss set money supply target

BY JOHN WICKS

ZURICH, Dec. 19.

THE SWISS National Bank has announced a target for average growth of money supply—in the form of cash circulation plus sight deposits—of 5 per cent for 1978. This is the same rate laid down for the current year.

He said those Greek Cypriots who had been "led astray", and taken part in EOKA-B activities but had not repeated would be forgiven. But there would be no pity for "those who had not rid themselves of the spirit of lawlessness and conspiracy." Illegality would vanish "once and for all," he said.

Portugal's payments gap widens

BY DIANA SMITH

LISBON, Dec. 19.

THE ECONOMIC situation in Portugal is growing bleaker. It is now estimated that by the end of the year the current account (balance of payments) deficit will total \$1,250m. (compared with \$825m. at the end of 1976).

Separate talks conducted by President Soares with leaders of the four main parties at the week-end do not appear to have led to any new developments. The possibility of a four-party common policy, as remote as ever (without it, no government is likely to get stable Parliamentary support).

Renewed Basque violence worries Madrid

BY ROBERT GRAHAM

MADRID, Dec. 19.

THE CONTINUED hardline approach to Basque autonomy by extremist elements among the Basques is causing increasing concern to the Government in Madrid. In spite of Government efforts to establish a dialogue and a delicately prepared pattern of concessions for establishing a provisional status of autonomy, Basque extremists have persisted in calculated acts of violence.

However, this agreement reached with the Minister for the Regions, Sr Manuel Clavero, has not been acted on by the Government of Sr Adolfo Suarez. This has raised serious doubts as to whether Sr Clavero was acting on his own authority when making the proposal, although the same was being negotiated in the region of Catalonia which is also operative.

REPAIRS RETAILERS concessionaires PARIS AREA wishes to sell for export second hand vehicles cars, small commercial, and leisure vehicles.

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OVERSEAS NEWS

Lynch gets key position in Fraser cabinet reshuffle

By Kenneth Randall

CANBERRA, Dec. 19

MR. PHILLIP Lynch, the former Australian Treasurer, has been appointed Minister for Industry and Commerce in the new Fraser Government...

Gen. Zia threatens Bhutto party ban

By Simon Henderson

ISLAMABAD, Dec. 19. GENERAL ZIA-UL-HAQ, the military ruler of Pakistan, said today he may consider banning the People's Party of the former prime minister, Mr. Bhutto...

SADAT AND THE PLO

Egypt seeks to split Palestinians

By Michael Tingay

CAIRO, Dec. 19.

EGYPT TO-DAY postponed the visit by a delegation of Arabs from the West Bank, whose mission was to express support for President Sadat's peace initiative...

At Mr. Arafat since he remained in Egypt's Parliament to applaud after Mr. Sadat's revelation that he was willing to address the Israeli Knesset...

Mr. Kemal has been asking Egypt to persuade the U.S. to invite a delegation of moderate PLO leaders which might include Mr. Fawouk Kaddoum...

It has also been noted in Cairo that despite a series of predictable PLO statements attacking Egypt, neither Mr. Fawouk Kaddoum, the PLO's Foreign Minister, nor Mr. Arafat, has made any personal statement against Mr. Sadat since his visit to Israel...

Cairo provides a lesson in compromise

By David Lennon in Cairo

ISRAELI love touring, and it is just as well. By the week-end the 30-man delegation and 50 journalists had had little else to do, for the Cairo Conference provided little work for the delegation and only frustration for the journalists...

Those who had ever visited an Arab country before were deeply shocked by the poverty and expressed amazement at the apparent willingness of most Egyptians to accept a Spartan life of drudgery...

time there has been a realisation that Egypt is a very large country, with a massive population compared to Israel's (nearly 40m. against just over 3m.). The idea voiced by many Israelis not so long ago of Israeli troops capturing Cairo to impose a peace on the region has been reduced to a right of absurdity by the reality...

President Sadat has helped create a change in the psychology of the Israelis, both by his visit to Jerusalem and by inviting Israelis to Cairo to see for themselves that even technology and daring cannot ever hope to win a place in the Middle East by force of arms alone...

LARM IN WASHINGTON Big rise in Soviet aid for Ethiopia

By David Bell

WASHINGTON, Dec. 19.

THE UNITED STATES is now extremely difficult for the Administration to watch major Ethiopian successes, should they occur, without feeling obliged to send at least symbolic assistance to the Somalis...

Front-line presidents discuss Rhodesia

By Michael Holman

LUSAKA, Dec. 19.

PRESIDENTS OF the African front line States, who met in the Mozambique port of Beira yesterday, have drawn up a four-point declaration which expresses support for the "positive aspects" of the Anglo-American settlement plan for Rhodesia...

U.S.-Vietnam talks

By Robert Mauthner

PARIS, Dec. 19.

FOR a six-month interval, before a final settlement can be reached, the Vietnamese resumed talks here today with the United States...

Japan, China may sign agreement

By [Name]

The Japanese Government is reported to be studying the possibility of inviting Mr. Teng Hsiang-ping, vice-chairman of the Chinese Communist Party, to Tokyo to sign a treaty of peace and friendship, UPI reports from Tokyo...

What gets an industrial process off to a quicker start?



The only pushbutton power It's a basic fact, easily overlooked, that electricity is the only process power that comes to you fully refined. Only electricity is instantly available energy, to use at the touch of a switch.



- Processing benefits Across industry, electricity proves itself in many ways. Consistently high efficiency. Reject rates dramatically reduced. Lower unit costs achieved. Faster throughput - faster recovery of the original investment.

Cleaner and quieter working, too And to all the other benefits of electricity must be added the advantages of cleaner, quieter working conditions inside your factory and a cleaner environment outside.

INVEST ELECTRIC The Electricity Council, England & Wales

AMERICAN NEWS

States drop GM litigation for cash and guarantees

GENERAL MOTORS today announced agreement with the Attorneys-General of 44 U.S. States which should, at a potential cost of several million dollars, reduce the mountain of litigation pending as a result of the controversy over its engine switch...

Two U.S. steel-makers announce price rises

TWO OF the most troubled steel producers in the U.S., Wheeling Pittsburgh Steel and Bethlehem Steel, have announced the first wave of price increases since the industry in 1973...

IFO predicts 5% growth in West German exports

DESPITE THE recent marked fall of the dollar, the IFO Economic Institute of Munich does not expect a general worsening of the competitive position of West German exporters next year...

ECGD tops \$500m. in guarantees

THE EXPORT Credits Guarantee Department has guaranteed two loan agreements bringing the total dollar amount provided under the ECGD foreign currency financing scheme to over \$500m.

Unified check on banks urged

AGENCIES which regulate banking in the U.S. should be consolidated into a new federal banking commission, according to a Senate report published today which describes the current federal banking regulatory system as 'duplicative, confusing and inconsistent'.

British sales advance on target

BRITISH exports to West Germany in the first ten months of 1977 totalled DM8,550m, (£2,150m). This compares with DM7,800m (£2,000m) in the same period of the year.

Swiss textiles hit by currency

THE SHARP rise in the Swiss franc exchange rate is causing serious problems for the Swiss textile industry. While exports of textiles, clothing and shoes as a whole were higher in value by 8 per cent for the first three quarters of 1977 than in the corresponding period of last year...

Trafalgar House in Abu Dhabi

Geoprosco International, part of the Trafalgar House Group, said the Abu Dhabi Petroleum Company has awarded it an oil well contract worth £20m.

Congressional rebuke for SEC

THE SECURITIES and Exchange Commission (SEC) has been publicly rebuked by leading Congressmen for failing to force the pace towards the creation of a national market for securities trading.

Westinghouse pact covers only 3% of uranium

THE OUT-COURT settlement, which Westinghouse Electric Corporation reached with three Texas utilities which were suing it over the cancellation of uranium supply contracts, only covers little more than 3 per cent of the 65m. lb of uranium that Westinghouse had contracted to supply to nearly 30 utility companies.

BP nears new Brazil licence

BRITISH PETROLEUM is expected to be awarded a new offshore drilling licence in Brazil's promising Santos Basin. It is thought the agreement will be signed with Petrobras, the State Oil Corporation, tomorrow.

Venezuela rail

Canadian National Railways said its Canadian subsidiary, the Canadian National Railway, is constructing a three-nation consortium of a 420-mile railway in Venezuela.

New Brazil nuclear centre hint

THE NEXT centre for nuclear power development in Brazil may be at Victoria, in the south-eastern coastal state of Espirito Santo.

Bermuda reshuffle

MR. DAVID GIBBONS, the Prime Minister of Bermuda, reshuffled his Cabinet today, demoting Mr. Harry Viera, a fish-weighing Minister who made headlines last week over the execution of two black murderers.

Kraft liner troubles loom

EUROPEAN paper companies face a difficult time as the price of kraft liner falls. The problems for France, and more recently other producers of substitute kraft liner, known as 'waste paper', started when the U.S. price for kraft liner fell dramatically during the world paper slump of 1975.

Malaysia complaint

THE Malaysian Timber Industry Board has asked the Government in Kuala Lumpur to speak against a possible increase in the Australian tariff on Malaysian moulding imports.

Canada LNG terminal go-ahead

CANADA has given the go-ahead to the liquefied natural gas (LNG) port and terminal planned by Tenenco, the U.S. gas distributor and terminal operator, at Lorveville, near Saint John, New Brunswick.

Olivetti loan

OLIVETTI International SA, the financial holding company for Ing. C. Olivetti, the business machine manufacturer, has received a \$50m. European credit through an international bank consortium led by Commerzbank AG.

Carter wrestles with his first Budget

PRESIDENT Carter was spending much of today with his key economic advisers as the Administration puts the finishing touches on his first budget, which will be issued next month.

NEWS ANALYSIS

EUROPEAN paper companies face a difficult time as the price of kraft liner falls. The problems for France, and more recently other producers of substitute kraft liner, known as 'waste paper', started when the U.S. price for kraft liner fell dramatically during the world paper slump of 1975.

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HOME NEWS

Wealth Tax priority after next election

BY RICHARD EVANS, LOBBY EDITOR

A FIRM PLEDGE that legislation on a wealth tax would be the top priority for the Government in the first Parliamentary session after a Labour General Election...

Tougher laws to curb drunk driver

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

TOUGHER legislation on drink-driving will be introduced by the Government within the next two years...

Call for action on auditors' advice

BY CHRISTINE MOIR

THE IMPACT of auditors' qualifications of company accounts is being diluted by the multiplication of technical accounting standards...

New pension fund manager for BR

BY ADRIENNE GLEESON

BRITISH RAIL'S pension funds are to be placed under the direction of a new general manager...

Perkins Engines chief to retire at 49

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MR. PETER J. WRIGHT, chairman and managing director of Perkins Engines Group, who has often said he would retire at the age of 50...

BP discovers more oil and gas north of Ekofisk Field

BY KEVIN DONE

SECOND appraisal well, drilled by British Petroleum in the south-west of the Norwegian sector of the North Sea, has produced significant quantities of oil and gas...

Local radio stations raise revenue 44%

BY CHRISTOPHER DUNN

MAIN'S 19 independent local radio stations are enjoying the best trading conditions since the start of the year...

Expansion planned for Welsh refinery

By Kevin Done

TEXACO AND Gulf Oil have completed negotiations with Snam Progetti, the Italian engineering contractor, for the construction of a £220m expansion to their refinery facilities in South Wales...

Relief grant rate raised

MAXIMUM rate of interest on Grant and interest rates under Section 7 of the Finance Act 1972 have been raised from 10 per cent to 10 1/2 per cent...

Now there are half a million reasons to keep in touch with the Dutch

In June 1974 a Philips PRX telephone exchange utilizing stored-program control (SPC) was inaugurated in the Amsterdam district of Wormerveer...

Among the many advantages of SPC is its ability to provide each subscriber with direct access to a variety of computer-stored services such as automatic wake-up, call transfer, call costing, abbreviated dialling and many others...

PRX ringing the changes in telephony

Philips Telecommunications PHILIPS logo

IF YOU SMELL GAS-RING US. If you smell gas, remember the simple safety rules: Don't smoke or use naked flames. Don't operate electrical switches-on or off. Do open doors and windows. Then check that you haven't left the gas on and unlit...

HOME NEWS

Leyland engineering profits below target

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE HIGH-FLYING performance of British Leyland's specialist engineering division... The group's 1977 plan involved a sales target of £303.4m...

Racal executive admits payments

FINANCIAL TIMES REPORTER

PAYMENTS of £22,300 to a Defence Ministry signals adviser for help over a £4m. Iranian arms deal were admitted by Mr. Frank Nurdin... The British Government had arranged to give £5m. commission to Sir Shapur Reporter...

Economic prospects slightly weaker

BY MICHAEL BLANDEN

THE PROSPECTS of a recovery in the U.K. economy have weakened slightly, according to the latest indicators published by the Central Statistical Office... Both the forward-looking indices of economic activity have turned down.

Children 'in third of poverty homes'

FINANCIAL TIMES REPORTER

PENSIONERS and one-parent families form the majority of low-income households, followed by two-parent homes with three or more children... The survey takes a special look at the 15 to 25 age group and finds that in the first half of the 1970s there has been a marked decline in the proportion of all graduates entering industry...

Laker wins extra Skytrain flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LAKER AIRWAYS is to run a number of extra flights on its Skytrain low-fare London-New York service over the Christmas holiday period... The airline appears to have underestimated the extent of the demand, however.

Cigarette curb plan attacked

By Stuart Alexander

STRONG CRITICISM of the Government's plans for a supplementary tax on higher-tar cigarettes came yesterday from Mr. Kirkwood, managing director of Carreras Rothmans (U.K.)... "Taken to its logical conclusion," he said, "such a tax would also have to be imposed on countless 'unhealthy' and allegedly harmful items such as alcohol, butter and sugar."

Sunday Times launches David Holden appeal

FINANCIAL TIMES REPORTER

THE SUNDAY TIMES is launching an appeal fund in memory of David Holden, the distinguished journalist recently murdered in Egypt... The fund will be used to create an additional award in 1978 under the British Press Awards scheme.

More land powers urged for Agriculture Ministry

ALL DECISIONS affecting the use of land and the social and economic life of rural areas should be the responsibility of the Ministry of Agriculture, the Country Landowners' Association said yesterday... "At the moment, responsibility for rural land use is dispersed among a number of departments."

Glasgow shuttle service back to full operation

BY OUR AEROSPACE CORRESPONDENT

BRITISH Airways is restoring its London (Heathrow)-Glasgow shuttle operation to full frequency on January 4... The shuttle has been running at a limited frequency of one flight every two hours for the past few months since cracks in the wing of the Trident jet fleet cut the number of aircraft available to BA for the shuttle operation.

Lorry test fee to be raised

INTERESTED organisations are being consulted by the Transport Department about the making of new regulations which would increase the fee for an appointment for the two-hour driving test for heavy goods vehicles from £24 to £33.50 from March, 1978.

Farms can often equal hotels, says AA guide

FARMERS' WIVES provide "something special" in food, hospitality and accommodation, according to the Automobile Association's new guide to guest-houses, farmhouses and inns in the U.K., published today... Over 400 picnic sites, all included in the book, available to AA members for £1.75 (£1.95 p and p). non-members can buy it from booksellers at £1.95.

Concorde team renews Malaysian approach

BY MICHAEL DONNE

BRITISH AIRWAYS Concorde experts will make a new attempt today to reopen the Concorde super-jet service link between London and Singapore, which was severed last Friday by Malaysian refusal to allow the aircraft to use its airspace... The service started on October 9, but only three return flights were possible across Indonesian territory before the Malaysian ban became effective.

Call for new TV service

THE POLICY committee of Nottingham City Council will be asked at its meeting today to support a Commons motion for an East Midlands television service which has the backing of all the city's MPs... Many other MPs in the region are backing the campaign for a television service for the Nottingham-Derby Leics. areas.

Cheap travel for Ulster old ticket changes

Mr. Jay Carter, Under Secretary of State, said he had been concerned about the lack of concessions for elderly and young people on certain transport services... The problem had been one of funds and not a lack of goodwill on the part of the Government or transport services.

Senior executive changes in Imperial Group

Mr. M. A. Anson will become deputy chief executive of IMPERIAL GROUP from January 1 and will leave the Board of Imperial Tobacco... Mr. J. A. C. Greenwood has been appointed a director of BARCLAYS INSURANCE SERVICES COMPANY and of BARCLAYS INSURANCE BROKERS INTERNATIONAL from January 1... Mr. Philip Croft has been appointed to the Board of ACROW as deputy managing director.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on December 19, 1977... Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (S) selling rate; (B) buying rate; (N) nominal; (EX) exchange certificates rate; (F) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Basi) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling. Lists various international exchange rates.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Thomas Cook Bankers. Thomas Cook Travellers Cheques. The accepted name for money worldwide.



The Dutch are dredging, constructing new dikes and harbours all over the world.

Five of the world's biggest companies are Dutch. Dutch tugboats tow ships safely over the five oceans.

The first continental airline to New York was Dutch. Forty percent of all transport in the European Common Market goes via the Dutch.

Holland is too small for the Dutch.

Does it surprise you then that a Dutch bank, the ABN Bank, has branches in almost every financial and trade centre in the world?

The Dutch are globe trotters. They like to be, if their small country is to mean anything in the world. They have been trading, transporting and trading in foreign lands for centuries.

So has the Algemene Bank Nederland in 40 countries on the five continents. Supporting local as well as international banking needs. They know the right people, the languages, the markets, due to 150 years of international business banking experience.

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London, Chief Office, 61, Threadneedle Street, EC2P 2HH, P.O. Box 503, telephone (01) 628 4272, telex 887366.

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ABN Bank has offices and affiliations in: The Netherlands, Ireland, Great Britain, Belgium, France, Federal Republic of Germany, Switzerland, Gibraltar, Italy, Greece, Turkey (Algemene Bank-uni), Lebanon, Saudi Arabia (Albank Alsaudi Alhollandi), United Arab Emirates, Bahrain, Iran (Mercantile Bank of Iran and Holland), Pakistan, India, Malaysia, Singapore, Indonesia, Hongkong, Japan, Morocco (Algemene Bank Marokko S.A.), Kenya, U.S.A., Canada, Netherlands Antilles, Suriname, Venezuela, Panama, Australia, Mexico. Operating under the name Banco Holandés Unido in: Argentina, Uruguay, Paraguay, Brazil, Perú, Ecuador, Colombia.

LABOUR NEWS

British Airways offers 15% pay package

BY NICK GARNETT, LABOUR STAFF

BRITISH AIRWAYS is offering that the higher shift pay allow- most of its U.K. staff a pay deal worth about 15 per cent... including 5 per cent productivity... absorbed within the overall 15 per cent corporation says is per cent offer.

ACAS in bid to end bakery pay dispute

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS and em- ployers in the bakers' pay dis- pute agreed yesterday to meet for talks this morning under the umbrella of the Advisory Con- ciliation and Arbitration Ser- vice. But little hope was held out of an end to industrial action before the start of the Christmas week-end.



Scanlon meets the demonstrators

Mr. Hugh Scanlon (right) talking to a demonstrator before the Confederation of Shipbuilding and Engineering Unions formally submitted its pay claim to the Engineering Employers' Federation in London yesterday.

the national minimum rate for craftsmen from £42 a week to £70 and phase in a five-hour day to the working week, is outside the Government's guideline and is sure to be rejected by the federation in negotiations next month.

Action call to reduce imports

By Our Labour Staff

THE Iron and Steel Trades Confederation has made a strong plea to the Government for higher steel production to feed off steel imports.

Optimism at steel talks in Corby

BY OUR LABOUR STAFF

FURTHER signs of trade union co-operation in British Steel Corporation's plans for a big cut in the industry emerged yesterday as union talks on redundancies took place at Corby.

on compensation for a possible 2,000 redundancies. The corporation said yesterday that natural wastage had been adopted as a policy for cutting manpower. This clearly would be more effective in cushioning redundancies plans in plants such as Corby where the complex will remain a major production centre.

Pay protest by teachers

THE executive of the National Union of Teachers protested yesterday about the role of the Government in trying to enforce a pay curb unilaterally in the public sector.

New allowance

ABOUT 40,000 lorry drivers, members of the Transport and General Workers' Union, are to receive an increase of £1.50 to their overnight subsistence allowance, bringing it to £5.50.

Raleigh strike

A STRIKE now in its sixth week at Raleigh in Nottingham—which has cost the company nearly £3m. in lost output of toys, bicycles and components—continued yesterday after a confused union meeting.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

Entertainment Guide - Continued. Includes sections for THEATRES, OPERA & BALLET, and CLUBS. Lists various theatrical productions, opera performances, and club events across different venues like the Royal Opera House, Covent Garden, and various regional theatres.

COMPANY NOTICES

RAND MINES, LIMITED. (Incorporated in the Republic of South Africa). A Member of the Barlow Rand Group. DIVIDEND DECLARATION. Blyvooruitzicht Gold Mining Company, Limited.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED. (Incorporated in the Republic of South Africa). DIVIDEND NO. 104. An interim dividend of 10¢ per share in the currency of the Republic of South Africa has been declared.

PROVINCE OF MANITOBA. 9 1/2% UA 30,000,000 1975/1985 Loan. Notice is hereby given to Bondholders that, during the twelve-month period ending December 8, 1977, no Bonds have been purchased.

Entertainment Guide - Continued. THEATRES: WYNDHAM'S, 336, 30228. Credit card bookings 9.30, 10.15, 11.15, 12.15. VERY ENORMOUSLY VERY FUNNY Evening News. SURELY THE BEST SMALL THEATRE COMEDY.

CONTRACTS AND TENDERS

"APPEL D'OFFRES INTERNATIONAL" CHAMP DE GAZ OFF-SHORE DE MISKAR (TUNISIE) OFF SHORE PROJECT MANAGEMENT. Le Groupe d'Étude Miskar, Agissant pour le compte de la future entité responsable de la réalisation du Projet de Développement du Gisement de Gaz de Miskar dans le Golfe de Gabes, Lance un Appel d'Offres pour le choix d'un Management Contractor chargé d'assurer le management de réalisation de l'ensemble des installations offshore (3 plates formes off shore et un pipe line sous marin).

APPOINTMENTS MEDIUM SIZED STOCKBROKERS seek clerk for private clients' department to take charge of valuations and other statistical work. Experience essential for this position. Good salary and bonus scheme. Write Box A.6190, Financial Times, 10, Cannon Street, EC4P 4BY.

banque française du commerce extérieur. Dfls. 75,000,000. 8% GUARANTEED BEARER BONDS 1977 due 1983/1987. PAYMENT OF PRINCIPAL AND INTEREST IS UNCONDITIONALLY GUARANTEED BY THE REPUBLIC OF FRANCE.

Handwritten signature or mark at the bottom of the page.

Nicholas Colchester tells how a British company was given a lesson in efficiency by a U.S. subsidiary

Productivity clichés fail the test

PRODUCTIVITY at the workplace is Britain's biggest industrial problem, Sir Arthur Knight, the chairman of the House of Lords, told the Wilson committee on October 11, claiming that British management does not get the results it expects from its capital investment.

After that day Harry Urwin of the TUC retorted before the committee: "It is an issue of management, an issue of the economy of scale, an issue of investment, an issue of the size of a market." Underlying everything, he maintained, "is that an investment which occurs (broad) makes labour productivity higher than ours."

Which of them has the diagnosis right? Or do both? The British worker badly needed a new productivity drive. Stone-Platt Industries, a British engineering company, has the opportunity of competing with a very similar company in the U.S. Its result view of this widespread view is that these questions are irrelevant.

The answer for Stone-Platt is not in the quality of British work, nor in the quality of machinery with which it is equipped, but much more in the product design, manufacturing technique, management systems, and the management of the manufacturing process. The time taken up in questions of pay and industrial relations.

Stone-Platt's American experts are interesting not because they are bound to be universally

valid but because it woke up this particular management to the mistakes it was making in the U.K. and suggested changes that would leave the British company substantially more profitable.

In 1973 the company, which makes textile machinery, pumps, marine propellers and electrical equipment, bought Stone-Platt, a leading U.S. manufacturer of spinning machines with plants in North and South Carolina. The vendor was the Maremont Corporation of Chicago for which spinning machines were of peripheral interest and which had not, therefore, lavished a great deal of capital on Stone-Platt. Nevertheless at the time of the deal this company was producing the same profit as Platt UK, Stone-Platt's British spinning machine subsidiary, but on only two-thirds of the sales and with one-third of the workforce.

Urwick-Orr and Partners were called in to help Stone-Platt understand these differences. First of all they analysed the equipment used by the two companies, aware of the often-repeated theory that Britain fails to invest sufficiently in new equipment. It came as some surprise to discover that 61 per cent of the U.S. company's machine tools (by number) were more than 21 years old and only 15 per cent less than ten years old. The equivalent figures for the British company were rather better, 45 per cent and 28 per cent. It seemed that the answer did not lie in equipment, and that capital investment was therefore no panacea.

The next theory to be tested was that the American company made a more standardised product for a large and homogeneous home market. A study of batch sizes revealed that the American company had to deal with slightly more production batches of less than ten units than Platt UK. All in all the diversity of output was much

the same for both companies. So the answer clearly did not lie in economies of scale.

Urwick-Orr turned its attention to the British worker and the way he compared with his counterpart in the Saco-Platt plants in America and in Spain. The comparison here was necessarily subjective but spot checks carried out in the three countries showed that while the level of individual effort on the shop floor was approximately equal in the Spanish and British plants, it was markedly lower in the U.S. According to Mr. Smalley visitors to the Stone-Platt plants in Britain have generally commented that the level of activity seems high.

The study suggested that the key factor that accounted for the American company's superior productivity was its skill in designing a product to the lowest cost. Two types of machine, each made on both sides of the Atlantic, were compared. The direct labour inherent in the manufacture of the first machine in the U.S. was 70 per cent of the man-hours needed by the British design. For the second machine the American labour requirement was 48 per cent of the British. It appeared that years of operating in a high income economy had forced the U.S. management to put stress on economic design.

Mr. Smalley explains: "The tendency in Britain is to design something and then to hand the design to the production side and let them make it. In

the U.S. something is designed and then costed and then redesigned to lower the cost, and this might be done several times before a design is finally adopted."

"In Britain we had usually cast components and then machined them. In America they prefer to fabricate—stamp and to roll metal—and to avoid machining if they possibly can."

Faster feeds

Stone-Platt also discovered that the jigs used to hold components during manufacture were more carefully thought out in the U.S. to make the handling of components faster and easier. Indeed, a key feature of the American approach is that the worker, whether he be an invoice clerk or a machina tool operator is presented with his task in a way which allows him to complete it with speed and efficiency. At a more technical level the composition of the metal used in Saco-Platt's cast components was found to allow substantially faster feeds and speeds in the machining process.

Another major difference which emerged was that management control systems were better conceived and operated in the U.S. The vital point here was that in the U.K. the procedures adopted to allocate work to different operators and different parts of the factory are inextricably bound up with the piecework system and the pay each man

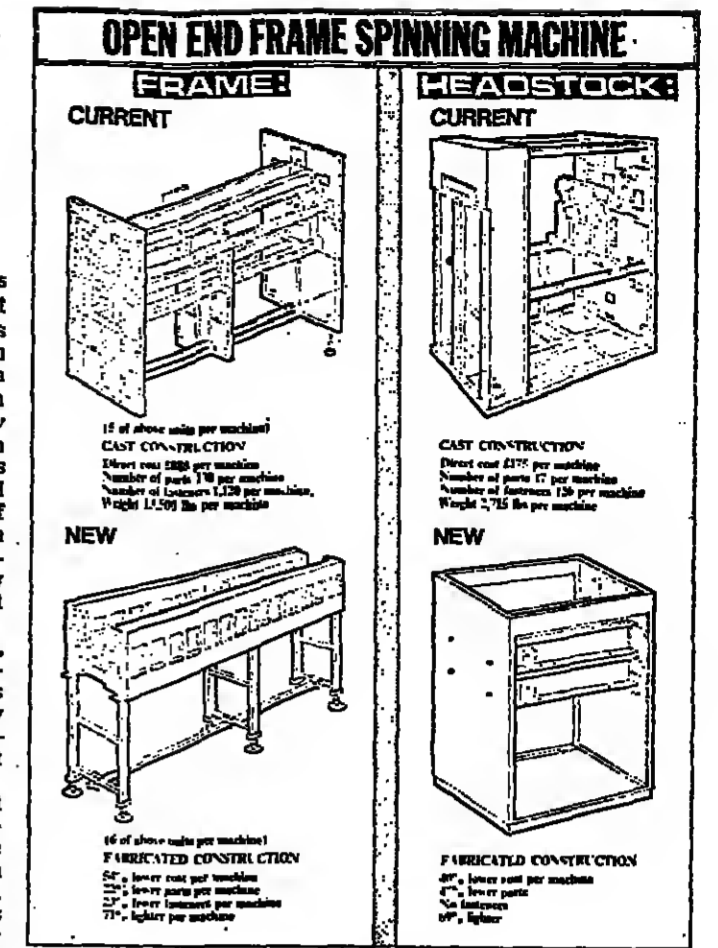
receives by it. Under this system production management finds a large proportion of its time is spent deciding what an appropriate pay rate is for each component produced and then negotiating compensatory pay with its maker when production bottlenecks occur or when his efforts could be better used elsewhere. In short, instead of optimising efficiency of a machine shop the British foreman finds himself constantly engaged in arguments about pay.

In the U.S. on the other hand, a measured day work system—basically a daily wage—leaves management far more leeway and the foreman can concentrate on making sure that production runs smoothly.

Stone-Platt also found that systems for controlling production and stores, involving the use of computers, were much better developed in the U.S. There was a business systems manager who was permanently active in controlling production, and the researchers were left with the impression that American management was naturally inclined to stick to established routines and procedures whereas British managers were inclined to improvise.

As a result of these observations the British management resolved to improve its U.K. operations in six ways.

- 1 to become far more cost conscious in design;
- 2 to improve management control systems;
- 3 to improve cost control on the shop floor;



- 4 to reform the wages payment system;
 - 5 to avoid doing unnecessary work;
 - 6 to organise work so that it requires fewer people.
- This process has been progressing over the last three years. "One of the first things we had to do," explains Mr. Smalley, "is to re-educate the design department. The most important thing was to get it established in the minds of our British management that we

Pensions jigsaw completed

THE announcement in this month of the final insurance contribution for 1978-79, the final piece of the pensions jigsaw has fallen into place. The overall rate came as no surprise; 16.1 per cent was the original rate agreed by the Government many years ago and was the first blueprint of the State scheme to appear in a White Paper ("Better Pensions").

Employers now know what their overall pension costs will be for the next year, when state and company schemes are combined and whether they stay in the State scheme or contract out.

But the Government Actuary, in his report on the financial effects of these contribution rates, set out his estimates for contribution rates payable up to the end of this century and well into the next, and gave explanations of his assumptions. The table shows how he forecasts the trend in contributions.

Employers who stay in the State scheme can expect to see

the overall contribution rate declines from the present rate of 15.7 per cent, by 1 per cent in each successive five-year period to reach 5 per cent by the end of the century and down to 4.9 per cent during the period 2003 to 2008.

This means that National Insurance costs for these employers will decline over the next five years, but thereafter will rise quite steadily to 11.7 per cent in 30 years' time—one quarter higher than at present. The report explains why the contribution reduction falls, but this had been forecast in the original blueprint.

But how many employers understand this when doing their forward planning? The pension consultants claim to have explained this situation to employers in their discussions, although it is rarely mentioned in the explanatory literature on the subject. Employers may think that they are going to receive a 21 per cent reduction ad infinitum.

Employers, however, can now understand this when doing their forward planning. The report contains a disturbing forecast of costs beyond the 30-year period under review, for this is the period when the effects of the falling birth rates will really begin to bite. The Government Actuary expects a 2 per cent rise in contribution rates in the following ten years.

"Report by the Government Actuary on the draft of the Social Security (Contributions, Re-rating) (No. 2) Order 1977 fall over the next 30 years, then over the employers who have contracted out must expect

Estimated Joint Contribution Rates for the National Insurance Scheme

Year	Remaining in the State scheme		Contracting-out	
	Rate	In rate	Reduction	Overall rate
1978-79	16.5	7.0	9.5	9.5
1979-80	16.4	7.0	9.4	9.4
1980-81	16.3	7.0	9.3	9.3
1981-82	16.2	7.0	9.2	9.2
1982-83	16.1	7.0	9.1	9.1
1983-84 to 1987-88	15.7	6.5	9.2	9.2
1988-89 to 1992-98	15.7	6.0	9.7	9.7
1993-94 to 1997-98	15.9	5.5	10.4	10.4
1998-99 to 2002-03	16.1	5.0	11.1	11.1
2003-04 to 2007-08	16.5	4.8	11.7	11.7

The contribution rates in both cases include 1 per cent for the National Health Service and 1 per cent for the Redundancy and Maternity Pay Funds.

Technical Page

Metalworking: safer grinding at high speed

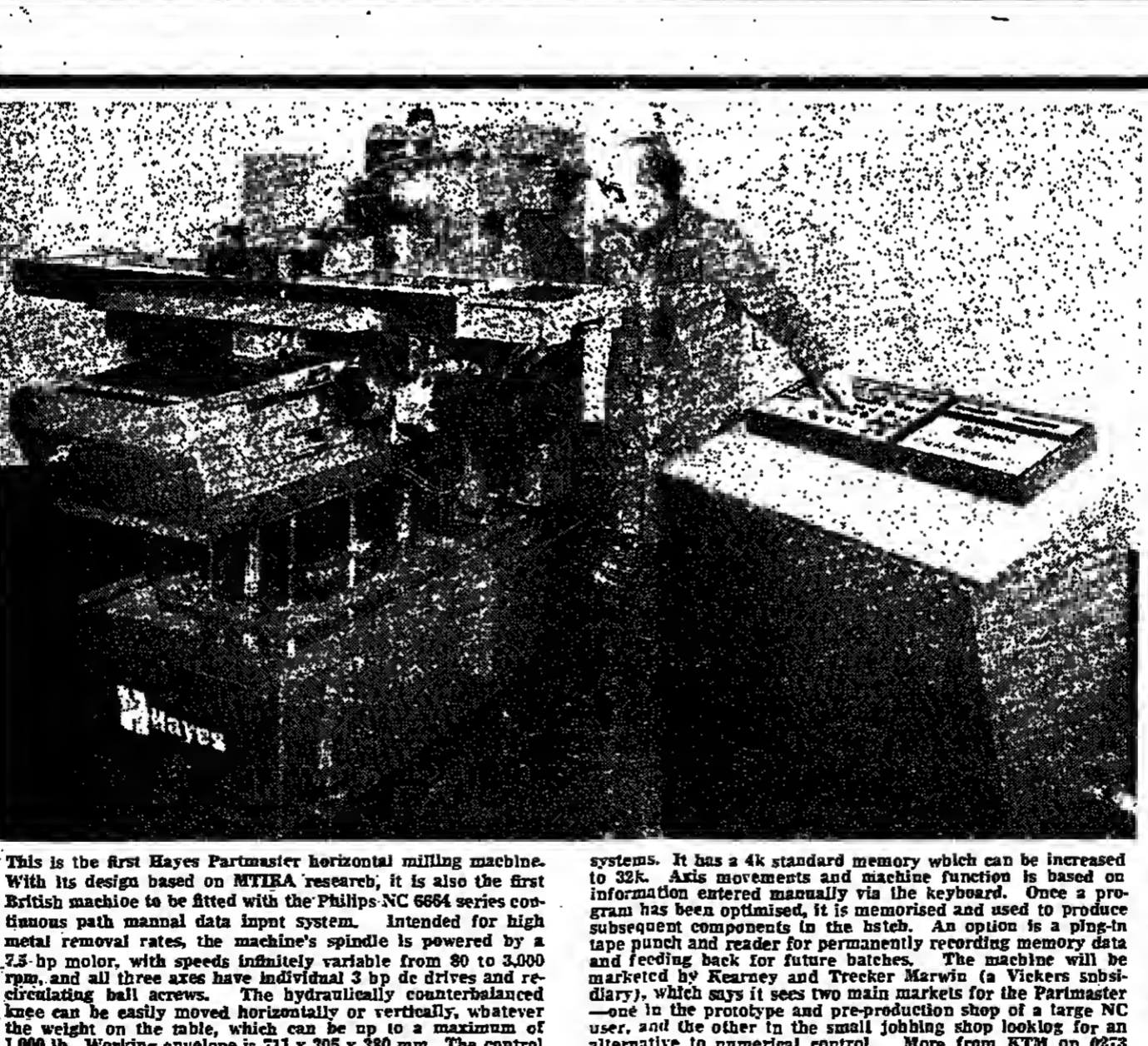
EMPHASIS in the design of the latest centrelless grinding machine from Lidkopings AB, Sweden, is on the safety of the operator when grinding at high-speed grinding. The machine, the 740, is 60 cm wide and weighs 1,200 kg. It is equipped with a 600 mm diameter wheel and a 400 mm wide wheel. The energy is considerable. Disintegration at full speed would be catastrophic. To ensure maximum safety there are two lines of defence—a protection guard and a splinter shield. The grinding wheel is made of ductile iron and mass-produced, while the grinding wheel cover is of cast aluminium. The headstock is locked in position by special rails on sideways. If a splintering particle would be coming within the guard and the block would remain secure during grinding. The splinter shield is fully enclosed the operator's area, and a locking device ensures that the main motor is started only when the guards are closed. The grinding wheels are exhausted by fans.

The main motor can be either a 175 kW variable speed dc motor or a 160 kW constant speed ac motor. The variable speed motor allows a constant peripheral speed to be maintained as the wheel wears, and speed characteristics. With an ac motor pulleys have to be changed as the wheel wears. An optional safety feature is an overspeed guard which prevents speeds of over 80 metres/second being exceeded, whatever the wheel diameter.

Maximum opening between new grinding and regulating wheels is 343mm. Wheel width varies from 250 to 300mm. Fine adjustment of the headstock (after powered rapid traverse) is by finger-lever controlled microfeed and is steplessly variable from 1 to 10 microns.

One of the largest of its type, the machine is intended not only for bar grinding, but is also suitable for through-feed grinding of short workpieces, such as large bearing rings and similar components.

More details from SKF Steel, North Crawley Road, Newport (G98S 61005S).



This is the first Hayes Partmaster horizontal milling machine. With its design based on MITRA research, it is also the first British machine to be fitted with the Philips NC 6664 series continuous path manual data input system. Intended for high metal removal rates, the machine's spindle is powered by a 2.5 hp motor, with speeds infinitely variable from 30 to 3,000 rpm, and all three axes have individual 3 hp dc drives and recirculating ball screws. The hydraulically counterbalanced knee can be easily moved horizontally or vertically, whatever the weight on the table, which can be up to a maximum of 1,000 lb. Working envelope is 711 x 305 x 380 mm. The control system offers many facilities normally associated with full CNC systems. It has a 4k standard memory which can be increased to 32k. Axis movements and machine function is based on information entered manually via the keyboard. Once a program has been optimised, it is memorised and used to produce subsequent components in the batch. An option is a plug-in tape punch and reader for permanently reordering memory data and feeding back for future batches. The machine will be marketed by Kearney and Trecker Marwin (a Vickers subsidiary), which says it sees two main markets for the Partmaster—one in the prototype and pre-production shop of a large NC user, and the other in the small jobbing shop looking for an alternative to numerical control. More from KTM on 0273 507253.

Office equipment: helps speed the mail

PAGE meters, otherwise account number meter number on as banking machines, and register readings over a dial now be refilled by users rather than by Post Office staff. This development, made by Pm Office, will be of considerable benefit to the 106,000 S (remote meter resetting) will cut resetting after being used as little as 90 seconds. Under the test, the system should be in widespread use in two years and the Post Office has shown considerable interest. Pm Office will also issue statements to users to monitor postal meter. Pm Office, a secretary telephoned the company's data base at Hatfield and entered

Data processing: Smooths the way for patients

positive details on patients' case notes, lab samples, etc. It also prints out ward returns, including existing inpatients and scheduled admissions, and maintains a ward file which can be interrogated at any time to assess each ward's actual and intended bed occupancy. From the above are produced daily and monthly bed-station statistics, alphabetical lists of inpatients, and daily admissions/discharges. ICL on 01-788 7372.

Intelligent printer

MADE BY Syntex Corporation in the U.S. and offered in this country by Radiatron Instruments of Richmond, is a compact 7 x 5 dot matrix printer that works across 40 columns and is controlled by a microprocessor. Use of the processor allows a number of functions to be provided easily, including double width printing, ability to form bold characters and the provision

Taking the industries' pulse

The authors conclude that foreign dominance of the industry is still extremely heavy—19 out of the largest 20 companies are foreign-owned. But there are one or two fast-growing U.K.-owned companies which might one day get into the "big league." Systems, for example, is singled out as having more than doubled its turnover in 1976 to £2.7m, with healthy profit margins.

The companies are listed in descending turnover order, cross-referenced alphabetically. Other information given (for two years) includes sales; profits; numbers employed; wage bill; net fixed assets; current assets and liabilities and bank borrowings. On the whole the data relates to the 1976 financial year, this being the latest available for most companies.

The industry is still far from healthy, say the authors: no less than 57 companies out of the 226 reviewed are in the red; 76 had turnovers of less than £500,000.

More information on 01-333 3030.

Thorn Ericsson know communications

inside & out!

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HORSBAM 0403, 81166

SAFETY

Kitemark for alarms

FIRE alarm control and indication equipment is now covered by a British Standards Institution "Kitemark" scheme in conjunction with BS5118 Part 4:1974.

First company to have its equipment so certified under this scheme is Bowcom Electronics of Winchester, a relative newcomer to the fire alarm business. Product concerned is the Helios CUI0A control unit, a ten zone monitored equipment suitable for use with ionisation smoke detectors, heat detectors and break-glass units.

Testing of the equipment by BS1 before award of the Kitemark included checks for sound on 01-828 9000. Bowcom on electrical safety, reliability of 0963 99669.

INSTRUMENTS

Tests at high voltages

HIGH VOLTAGE ac/dc break-down leakage test equipment optional extra for additional from Crompton Electronics, safety.

Output voltage of the equipment is continuously variable up to 10kV ac or 5kV ac in two switched ranges, with maximum short circuit currents of 2mA dc and 3.5mA ac. A sensitivity control enables the unit to trip at leakage currents down to 100 microamp. Both audible and visual indication of breakdown are provided and when the point is reached, the unit automatically removes the test voltage. The set can also be used to apply a progressively increasing voltage to test item under test until complete breakdown occurs. Hawker Siddeley Group, 33 Duke Street, St James's, London SW1Y 6DG. 01-930 6177.

ELECTRONICS

Things are looking up

ACCORDING to the latest survey carried out by Jordan Dataquest, in this time dealing with the instruments and communications segment of the electronics industry, the instrument companies are in a healthier position than they were last year.

Of the 376 companies covered, 13 per cent have this year operated at a loss, last year's survey by Jordan produced a figure of 18 per cent.

The survey is mainly compiled from the latest information filed at the Company Registration Offices in London and Edinburgh and is in two parts. Companies are first listed in descending sales order for the latest year and then listed alphabetically in an index which also gives address, name of chief executive and the parent company where this is applicable.

Jordan identifies 25 quoted companies "which might lay

claim to involvement with instruments and related activity." In this descending turnover terms the five at the top of the list are Plessey, Racal, Avary's, Brown Boveri Kent and Westinghouse Brake and Signal.

However, the same league table re-stated in terms of profit margin achieved (profit before tax as a percentage of sales) reads: Racal, Honeywell, United Scientific Holdings, Dale Electric International and A. Gallenkamp. The survey covers distributors as well as manufacturers.

The two years' date provided on each company includes sales, profits, exports, wage bill, employees, current assets, current liabilities, net fixed assets, bank borrowings and ownership.

More from the company at Brunswick Place, London N1 6SE (01-253 3030).

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London FS4. Telex: 886341/2, 883297

Telephone: 01-248 8000

Wednesday December 21 1977

A surprising trend

THE GREATER part of the a revival in demand that has not drop in total U.K. unemployment yet shown up elsewhere, nor there is something wrong with the and December was once again accounted for by a drop in the number of school leavers registered as unemployed. Although the absolute number of school leavers still registered is slightly higher than at the same time last year, much the same proportion of the annual crop—over 90 per cent—has now been placed, either in work or in one of the training schemes sponsored by the Manpower Services Commission. It is true that there are particular groups of young people among whom unemployment is still very high. It is debatable whether an employment among school leavers is a greater social evil than, say, long-term unemployment among adult males. But level of unemployment in at least this is one unambiguously encouraging aspect of the present labour situation. If since earlier in the year it was widely assumed that the problem of school leavers would be especially intractable.

The improvement in the labour situation as a whole suggested by the latest statistics is, unfortunately, far from unambiguous. The unemployment figures are one of our most up-to-date and useful indicators, but they have been behaving oddly throughout this year. The underlying trend, after dropping between February and May, then rising very steeply between June and August, has fallen again for the past three months in successive while unfilled vacancies have risen.

Splendid news, you may say, especially if you happen to be Mr. Booth. Alternatively, you may wonder how this apparent rise in the demand for labour is to be reconciled with all the official statistics which suggest that demand and output are stagnant and reports from industry that (with the exception, perhaps, of skilled men in some trades) output could be increased considerably without any increase in the labour force. Either productivity is falling at a time when the Government's main aim is to increase it, or we now have the first indication of

Special schemes

Second, the recent fall in the seasonally-corrected total registered unemployed—it was 12,000 in October, 1,000 in November and 6,000 in December—may be largely due to special factors. The largest of these drops, the first, was ascribed by the Department to an accident of definition, the statistical treatment of school leavers aged over 17 who are classified as adults. Mr. Healey in his mini-Budget the following day gave a specific warning against attaching much importance to this figure. Throughout this period, moreover, the various special employment and training schemes organised by the government have taken 33,000 people off the register. It is not known how many of these were school leavers, but it would take only a minority of adults to explain what has happened to the unemployment figures. In terms of the individual, of course, these schemes are as effective as anything else in getting one off the register. But they may make it more difficult to measure how regular demand for labour is behaving.

Problems for the Peruvians

THE LAST 12 months have been particularly difficult for those arms purchases. There is no reason whatever for the U.S. continuing to assist the Peruvian government in its fight against the Sendero movement. The continuing to assist the Peruvian government in its fight against the Sendero movement. The continuing to assist the Peruvian government in its fight against the Sendero movement.

Austerity At the end of last month the International Monetary Fund agreed to a \$105m. credit to support the austerity plan outlined earlier in November by General Alcibades Suenz, the finance Minister in the government of General Francisco Morales Bermudez. The IMF move was generally expected to result in private bankers coming to the aid of the Morales government which faces a particularly heavy schedule of payments in the first few months of next year. The willingness of some banks to help the Peruvian authorities in a difficult situation had already been signalled when a group of institutions led by Chase Manhattan and the U.S. Export-Import Bank arranged new facilities for the very big Cuajone copper mine development. Now it appears that the Fund is attaching particularly stringent conditions to the disbursement of the credit and that private banks will be thinking twice about lending more to Peru.

Civilians

At the moment General Morales is taking definite steps to return power to an elected civilian government. Despite this the Peruvians are being faced with financial terms which appear to be considerably harsher than those offered to administrations whose overall records are much less impressive. This is regrettable. General Morales deserves better terms. But even more important is the fact that if Peru is forced to declare a moratorium on its foreign obligations for quest for an emergency loan to the Morales administration an action is bound to damage the credit rating of all developing countries.

A government clampdown on 'beyond-the-fringe banks'

BY MARGARET REID

FROM now on, Intercontinental Banking Corporation, registered in the tiny West Indian island of Anguilla and, in spite of its high-sounding title, with a paid-up share capital of only \$3 (£1.64) will no longer be seeking to do business with the public in Britain. Nor will certain other impressively named concerns, including National Bank of Europe and the International Bank and Trust Company of the Middle East, both also Anguilla registered.

These are just three among more than 40 other offshore companies which had registered abroad and then set up in Britain, and which have recently received notices from the Trade Department that they cannot operate in this country under their existing titles. The Department's power to clamp down in this way comes from Section 31 of the Companies Act, 1976, which enables it to notify an overseas company that it is undesirable for it to trade in Britain under its existing corporate name. A good many of the concerns to which the Department's notices were despatched at the end of September—to take effect at the beginning of this month—appear to have gone out of business anyway.

Maritime Bank to which a notice under Section 31 was sent—as was one to a similarly named company registered in the Falkland Islands—had elegant premises in Buckingham Palace Road, London, immediately opposite the entrance to the Royal Mews, next door to a hotel, and a dealer's shop from the Palace itself. Now the place is locked and empty. On a sofa inside the window lies an old news magazine with a headline (referring, as it happens, to distant China) reading "Progress and Purge"—words which could be taken as symptomatic of the recent rise and fall of offshore banking activity in Britain.

During the past two years or so there had been a considerable, though relatively little-noticed, burst of activity by so-called offshore banks—companies, usually tiny, which had been registered overseas, often in West Indian islands, but which afterwards deliver documents of incorporation to the registrar of companies as overseas companies carrying on business in Britain.

Now the activity has very much diminished. One reason for this is the clampdown, under Section 31, on the use in Britain by some overseas companies of names including "bank", "banking corporation" and "trust", which convey to the public at large the idea of a very sizeable, solid and substantial business.

Another factor has been the crackdown on this type of company in Anguilla. More than



The now locked and empty Maritime Bank near Buckingham Palace.

a hundred of often impressively titled, but minute, concerns have been struck off its registered companies, and registration fees have been raised. But there has been another and important factor behind the decline in offshore companies' activity on the fringes of banking in Britain—so that the problem has waned before most of the public has heard anything about it. Very many small banking concerns operate entirely legitimately. But it is alleged, this has not always been the case, and certain areas have attracted the attention of the police.

During the past 18 months the City and Metropolitan Police Company Fraud Department, under Commander Thomas Edwards, with detectives from Scotland Yard's Serious Crimes Squad, have launched a major, though little publicised, inquiry into activities within the offshore banking field. A team of officers led by Detective Chief Superintendent Jim Smith and including Detective Chief Inspector Douglas Shrubsole, has laid on one of its biggest operations. The investigation has been not only in Britain but abroad, because much controversial activity in offshore banking has international dimensions. A number of arrests have been made and about 30 people now face fraud charges.

Complaints from the public

Quite separate from inquiries which the police find it necessary to make under the law—sometimes after complaints from the public—is the nature of the new control over names of overseas companies now conducted by the Trade Department.

Section 31 of the Companies Act, which came into force in April this year, was designed to close a loophole and eliminate an anomaly in the existing law which advantage had increasingly been taken. While there had long been a power, under Section 15 of the Companies Act 1948, for the Trade Department to ban, as undesirable, unsuitable names of U.K. registered companies, the British Government had, until recently, no means of prohibiting the use of an inappropriate name for the conduct of business in Britain by an overseas-registered company. It was until lately perfectly possible for a very-small company to be registered in any country abroad, with a minimal capital, with some such title as "Mid-Atlantic Bank and Trust Company", and then to launch out in business in Britain, after filing its particulars with the U.K. companies registrar.

Its operations could be wholly legitimate. Yet was it desirable for these uninitiated in money

cut back costs, are taking a long, hard look at their sponsorship portfolios. One casualty has been the John Player management journalism awards which have been run in conjunction with the British Institute of Management.

These annual awards were highly sought after—largely because at £1,000 tax free they were particularly munificent by the standards of the "literary" prize circuit. The awards were given in one newspaper and one television reporter, and to the author of the best book on business.

John Player made similar awards to those judged to have made an outstanding contribution to the computer and aviation industries, and these awards too have been dropped. So far, however, the portfolio of sports sponsorships has remained largely unscathed—although the anti-smoking lobby would be most pleased to see an end of the attempt to link healthy sports activity with nicotine addiction.

Shifts away from the present system of excise taxes and adopting the value added method of calculation will bear especially heavily on the smaller cigarettes and narrow differential between what are currently the cheap, small brands and the kingsize variety. This has already led to fierce competition among the major companies to increase their share of the kingsize market which, they believe, will expand considerably when the new price levels incorporating the new taxes come into operation. It should also, of course, increase the resolve of those planning to give up the weed entirely as their New Year resolution.

In any case, the tobacco companies are resigned to a further squeeze on profits next year and, as part of their drive to

bank supervision. Mr. Nicholas Travers, in a letter published on December 9, referring to an earlier letter from Mr. N. A. de Berry, remarked: "Mr. de Berry seemed to think (December 9) that British banking law is riddled with loopholes. He underestimates the position, for in fact there are more loopholes than law."

Mr. Travers went on to quote from a letter from the Inland Revenue in April this year which said that a company would qualify as a bank for the purposes of the Income and Corporation Taxes Act 1970 if it "is in fact operating the full range of banking business including, for example, the provision of current account and cheque book facilities for customers other than its employees or associated companies". Mr. Travers remarked that, in other words, any company which owed money to customers other than employees or associates, and provided books of withdrawal or credit demand forms, would qualify. He said he could imagine that virtually any British company could meet these requirements, and call itself a bank, by modifying its sales organisation and accounting procedure.

The Government White Paper, *The Licensing and Supervision of Deposit-Taking Institutions*, containing proposals to identify high-ranking banks, which would merit authorised status, and to impose a licensing requirement for other deposit-takers, was published as long ago as August 1976. It has still not been acted upon, although legislation for a system of banking licensing will due course be necessary for Britain as a member of the Common Market. Last week Mr. Denis Davies, Minister of State at the Treasury, told the Commons that the Government planned to bring in new laws to tighten up supervision of the banks as soon as time was available in Parliament.

But one must wonder how effective legislation even along the lines of the White Paper would be in dealing with all possible contingencies in this field, and particularly with the company here that was aiming to act illegitimately? Would it satisfactorily control an offshore bank which changed its name, or which was taken over by somebody less reputable than its first owner? If ABC Bank became ABC Trust (Bankers) what would restrict its activities if it were not taking deposits, but were operating illegitimately in other ways? And what of concerns, which eluded all control by operating for a relatively brief period and disappearing before any investigation got under way? As somebody close to the outer fringes of the banking scene says: "The law is designed for those used to cricket according to the rules, but how does it catch those who don't play the game?"

Appearance of solidarity

Moreover, as has long been known, companies' balance sheets can—by the use of the appearance of solidarity not justified by the facts—be "dressed" by the issue of "millions of pounds or dollars" worth of, say, loan-stock by one party in exchange for a similar issue to it by an associate company. It is a matter of surprise and, to some people, concern, that four years after the secondary banking crisis broke out at the end of 1973—the control over bank-type concerns—which on occasion, has been significantly beyond the fringe—still appears inadequate.

Some recent letters to the Financial Times have dwelt upon aspects of the problem of

MEN AND MATTERS

German tipped for JET

The £120m. JET thermonuclear project in Culham, Oxfordshire, is likely to have a German director—Dr. Hans Ott Wuster from Hamburg. Earlier this year, when the site for JET (short for Joint European Torus) was being discussed, there was keen competition between Premier Callaghan and Chancellor Schmidt for this prestige EEC institution. Britain won, and reports on the scientific grapevine say that Wuster's appointment would, at the political level, be a *quid pro quo*. (Needless to observe, such crude considerations would not have influenced the interim JET council at its meeting in Brussels yesterday.)

On the scientific plane, Wuster's credentials are immaculate. Currently deputy to the director general of the CERN 400 GeV proton synchrotron in Geneva, he is highly respected as a laboratory manager and computer expert. Physically and intellectually a heavy-weight in Hamburg, he had a reputation for "breaking the lull" at meetings if progress was too slow. In Geneva, it is said, he has abandoned such youthful exuberance.

The most obvious candidate for Culham, by charismatic standards, would certainly have been Dr. John Adams, now executive director of CERN. He directed the Culham atomic laboratory in the years 1960-67. But quite apart from Adam's deep absorption in his present job, there is an EEC rule that such projects cannot be directed by anyone from the host country.

EEC regulations have a habit of affecting people in the most unexpected ways. On January 1, for example, Britain takes a

Parker ponders

Question: What is taking two of Britain's fastest typists working five days a week, two and a half which have been run in conjunction with the British Institute of Management.

Answer: The report and recommendations of Justice Parker, who began dictating his epic Windscale public inquiry over which he presided. The environmentalists are pressing Environment Minister Peter Shore to make public the Parker report before he and his Cabinet colleagues reach a decision on whether a new nuclear reprocessing plant should be allowed at British Nuclear Fuels' Windscale plant. But meanwhile, the sheer hard slog of composing and transcribing the thoughts of Chairman Parker goes on. It is expected to be completed, as a typescript for circulation, by the middle of next month. A Government spokesperson yesterday refused to speculate on whether the report, like the inquiry, will set any precedents, but admitted that it will be "very, very long." Even in Whitehall, there is unlikely to be a shelf large enough to hide this one.

Flexibile foes

Hollywood's follow-up to "Jaws" is a new ocean horror picture. "The Deep" starring ferocious Moray eel. Predictably enough, the heroine, Jacqueline Bisset, is attacked by the monster eel shortly after reel one. But that's a familiar hazard to Britain's North Sea divers. Working from the Charlie platform on the Forties Field, they have to contend with a colony of conger eels, some up to 11 feet long, living near the rig. We are told that "some of the men have been oozed by eels during operations and there is a danger that the creatures, known to be zealous in protecting their territorial rights, may get entangled in a diver's airline." How about a Hollywood underwater film crew to drive away the eels?

The biter bit

Turkey is in support from America large numbers of fish to help tackle the spread of Malaria in the south east of the country, where known cases have risen in two years from 10,000 to 120,000.

Turkish mosquitoes, of the Anopheles variety, have developed a virtual immunity to all types of insecticides, so Berdan Akalin, Director General of the Anti Malaria department of the Ministry of Health, plans to bring in millions of "Gambusia" three-inch long fish known for their penchant for mosquito larvae.



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Phone _____

Extel

Observer

Handwritten signature or mark at the bottom of the page.

Granada jumps 39% to record £25m.

FOLLOWING a better than expected advance of 34 per cent at the half-way stage profits of Granada Group emerge 39 per cent better at £25.5m for the year ended October 31, 1977, compared with £18.15m for the previous 52 weeks.

Dubilier rises to KCA Internl. turns in peak £0.83m. first half £0.64m.

MANUFACTURERS OF electric and electronic components Dubilier advanced from a halfway figure of £387,000 against £291,000 to finish the year at £830,000, a record for the group.

British Steam up at midway

TAXABLE PROFIT of British Steam Specialties Group jumped from £687,000 to £815,000 in the September 30, 1977, half-year as turnover ahead from £12.96m.

Record at Vectis Stone

A RECORD (taxable profit of £404,302 against £244,780 last time) is reported by Vectis Stone Group for the September 30, 1977, year.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends.

TO-DAY: Interim: Barclays of Yorkshire, Catalin, Cooper Industries, Government, Bostly Consort Investment Trust, Lintrod, London and Liverpool Trust, Norton and Wright, Pabon Holdings, Poly Pack, Radiant Metal Finishing, Alexander, Roper, Scotch Homes Investment, R and V, Tootill.

Gen. Eng' Radcliffe slumps

TAXABLE EARNINGS of General Engineering Company (Radcliffe) slumped from £302,000 to £15,000 for the half year to September 30, 1977.

Work in progress at the half year for delivery in second half was exceptionally high and not profit for the year should be at least equivalent to the £40,000 for the previous year on turnover in excess of £10m.

Scottish Investment outlook

Prospects for improved revenue from the Scottish Investment Trust's UK equity holdings are generally good, says Mr. Angus Stewart, chairman, in his annual statement.

Revertex drive to sell in China

Revertex Chemicals, the specialist chemicals group, has begun a drive to increase its trade with China.

North Midland Cnstr. incurs £85,000 loss

Owing to prolonged and inclement winter weather, a severe setback in Post Office expenditure and a consequent drastic falling off in work load, North Midland Construction incurred a £84,658 pre-tax loss for the year to August 31, 1977, compared with a profit of £198,198.

Maxims well ahead at halftime

First-half 1977 pre-tax profits at restaurant chain Maxims were £8,253,777, with a loss of £10,278 last time, on turnover of £1.03m, against £0.78m.

EMRAY LIMITED INTERIM REPORT FOR HALF YEAR ENDED JUNE 30TH, 1977 (subject to audit)

AT LAST AVAILABLE BRIDGE'S REFERENCE HANDBOOK OF DAILY EXCHANGE RATES

Statement by the Chairman

The Company has had a reasonable trading year. Although the weather this summer was poor compared with the previous two years our fine range of products once again enabled us to strengthen our position in the market in spite of supply problems.

As stated in the Chairman's Statement dated 27th July 1977, our business is continuing to be affected by import licence, price control and exchange control restrictions in force in Zambia.

social amenities for staff and employees.

For the year to 30th September 1977 the total allocation for capital investment was £75.4m and for the year to 30th September 1978 we have so far allocated £80.8m.

Sales in the first few weeks of the new financial year were severely affected by the unofficial stoppage in the North West and were therefore lower than those for the same period last year.

Unless we are allowed to increase Group earnings by operating reasonably and efficiently in the market place our cash flow will not be sufficient to meet the cost of replacing worn-out assets and to provide for new investment.

If we are deprived of adequate cash flow it is inevitable that new investment will have to be cut, adversely affecting a lot of people.

We have continued to invest our cash flow in extension of production capacity, and in improvement to our licensed estate and to the amenities offered to our customers.

We have also continued our programme of improvement to

MONEY MARKET Unexpected shortage

Bank of England Minimum Lending Rate 7 per cent. Overnight interest rates rose sharply to around 25-30 per cent at the close of business.

Derek Palmer 1st December, 1977

Table with columns: Date, Interest rate, etc. showing money market data.

Table with columns: 1977, 1976, Sales to customers, Balance on trading, Earnings before taxation, etc.

The Group's results in brief for the year ended 30th September 1977

1977 1976 Sales to customers £904.5m £901.7m Balance on trading £99.7m £86.2m

Earnings before taxation £90.4m £86.8m for ordinary shareholders £95.7m £29.8m

Ordinary shareholders earnings per share 16.4p dividend per share 4.84p

I thank our management, staff and employees for their continued efforts over the past

SOCIETY TO-DAY

BY JOE ROGALY

The new Social Trends this Christmas

THINK NO further about what to give for Christmas this week-end. If your intended recipient is literate and possesses a lively sense of curiosity the Government Statistical Service, obliging as always, has come up with the answer just in time. It is, of course, Social Trends, the annual compendium that tells more about the British people, and what they want than our politicians ever seem able to absorb.

At £6.90, the same price as last year, its 264 pages are a real gem. With a festive red and white cover to give the present a touch of glamour. We will never know the fact that the Central Statistical Office had rather a rough time producing its annual publication for nobody in the publishing business can resist the temptation of being late—but it seems worth suggesting that since Christmas has come up and hit them in the face, perhaps the week before Christmas ought to be the final target date from now on.

Not serious, am I? Imagine sitting round the fire next Sunday afternoon, Social Trends the floor by your side. There is a lot in the conversation. Take a sly peep at page 10, "Can anyone here tell me...". "No, whether there's more of our black-and-white friends in this country than in the one that was annexed, you can read out figures." Last year, you know, "colour" overtook "black-and-white" and now there's a ten million colour sets as against eight million black-and-white.

You can ask the assembled company. "Anyone betting on the number of Scotsmen who

are regular drinkers?" Lay out little cards, with the numbers 100 per cent, 90 per cent, 80 per cent, 75 per cent, 80 per cent, 40 per cent, and others you think might catch punters. The correct answer, to be found on page 189, is 74 per cent. Do upper-class Scotsmen drink more, or less, than the lower classes? More, it turns out.

But there are serious matters in Social Trends. Some are not satisfactorily answered by graphs or tables; for example the charts on page 302 show that while fewer than ten in a thousand males aged 40 and over have been found guilty of a crime, the equivalent figure for 17-20 year old youths in committed by youth.

Other social questions may really be made easier to answer by the intelligent use of statistics. Perhaps the most outstanding example of this is the article by R. van Slooten and A. G. Covardale.

The authors, who work from the Department of Health and Social Security, have presented a better method of describing the poor (or "low income households") than those set present in use. For they have done nothing less than rework the figures on the basis of a new definition of the quality of "poverty" that is more in accordance with contemporary life than the ones that hark back to Rowntree (1901), Booth (1902) or even Abel-Smith and Townsend (1965). The point of their work is that saying simply that a family with a low income is badly off relative to other families is not enough. A given income means different things to different families, depending on whether one is talking of one young person, one pensioner, a married couple with children, a family with young children, a family with a teenage child, or whatever.

Following a procedure developed by E. Singh and A. L. Nagar, and some American practice, they have produced "equivalence scales"—figures that give a rough idea of how much income is required for a particular standard of living, taking a married couple, wife not working, as the standard, and relating all the other categories to that. The result is shown in the graph. The broken line indicates net household income, unadjusted by the equivalence scales. The numbers at the extremes—poor and well

off are relatively large. The solid line shows the difference if you adjust the figures by the equivalence scales. The cluster around the middle is far larger. There is less inequality than the raw figures suggest. This is made more understandable by the authors' observation that if you start with a childless married couple, "the equivalence scales for additional adults or children represent the marginal cost to the household, not the total cost of their maintenance in separate households." What is more, "economies of scale in household consumption make marginal costs lower than average costs." Yet much of our public debate about "low income households" has for many years been based on an assumption that costs for every applicant were in reality average costs.

Unseasonal thoughts about how all this has liquidated poverty with a row of figures, would, however, be false. According to the accepted wisdom of the age in which we live, poverty will never be liquidated because it simply means the people who have the least to spend. If, as the authors do, you take the lowest fifth, the poor will always be with us, and they will always be the same proportion of the population. Their standard of living will increase, both absolutely and relatively to everyone else; there is no rule that says that the worst-off fifth shall be worse-off to a particular degree. Thus the chart on page 37 shows that almost as many low-income households have TV sets as the average for all households, in these "use of durable goods" comparisons, pensioners are relatively worst off, but if you

consider poor families with children, they come surprisingly close to the average in use of washing machines and refrigerators. About 35 per cent of them seem to have central heating, as against some 60 per cent for our society as a whole.

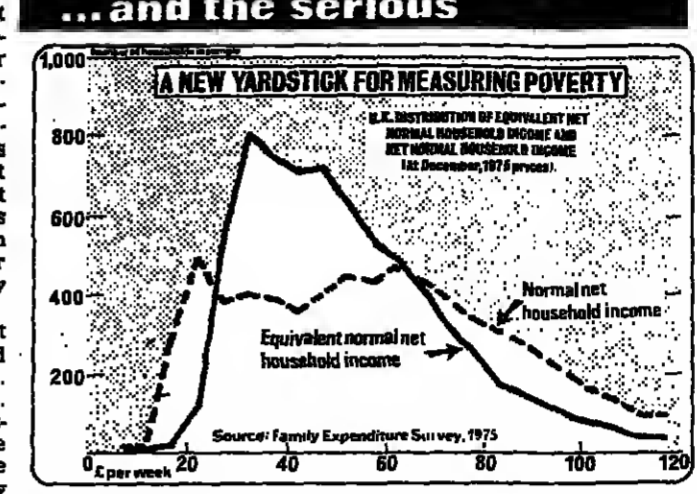
The Van Slooten and Covardale analysis indicates where the low-income groups are provided less higher or further education than most other countries. If those who see too many unemployed or frustrated arts graduates about say, "We are shown with depressing clarity," the answer surely is in improving the quality and range of further education rather than in keeping the quantity low. In the quality of housing we are relatively well off, having fewer persons per room than most other countries, excepting the U.S., but on infant mortality our fairly good record has been overtaken by Japan and France, which, like Sweden, are now saving more babies' lives than we do.

Again, in spite of the equivalence scales suggesting that the average real standard of living is more bunched towards a middle figure than previously thought, the evidence of persistent and destructive class differences is still there. I will not labour the point, which is illustrated by many tables in

These are perhaps signals for long-term policies. More urgent short-term signals are also to be found in this remarkable publication. For example, we are told on page 17 that during the past three years unemployment among "minority group" (presumably black) workers aged under 25 increased by 540 per cent, while the overall increase in registered unemployment was 130 per cent. By February of this year the total number of these young blacks without jobs had risen to 19,000, a figure that should help to explain a number of city-centre social problems.

It will be seen that the offering of Social Trends as a Christmas gift is not simply a matter of jollity and party-games about surprising figures. (The number of pregnant brides has halved since 1970, and the explanation is not only the general fall in the birth-rate, Page 58). There is also material for reflection on the nature of our society, which turns out to be possibly even more conservative than anyone could imagine and probably not conscious of its own most serious flaws. The person you favour with it will certainly be sobered up if he or she reads it on Boxing Day.

Social Trends No. 2, 1977. Published by the Central Statistical Office, Available at HMST, £6.90.



Letters to the Editor

Free collective bargaining

One cannot fault the "Tackling long term in Incomes Policy" (16) but is his remedy a flexible incomes policy, and a relativities Board arrangement backed by legislation without statutory adequacy and practicality in this area will be enough for a dynamic market economy. That Mr. Jay seems to say free collective bargaining is unbalanced in terms of bargaining power that new must be made to contain the union power by another means of incomes policy. To him the balance of power in this area will be enough for a dynamic market economy. That Mr. Jay seems to say free collective bargaining is unbalanced in terms of bargaining power that new must be made to contain the union power by another means of incomes policy. To him the balance of power in this area will be enough for a dynamic market economy. That Mr. Jay seems to say free collective bargaining is unbalanced in terms of bargaining power that new must be made to contain the union power by another means of incomes policy. To him the balance of power in this area will be enough for a dynamic market economy.

essentially theoretical, based on statistical analyses of market data. Mr. Carter is to be congratulated on his magnificent and unique feat in disproving the efficient market theory experimentally, that is, by actual investment in the market, something which, as far as I am aware, the academic has never attempted or dared to do. He thoroughly deserves his winnings.

1975 to reduce the incidence of condensation and mould growth and not for reasons of energy conservation. Improvements proposed in a DOE consultative document issued in July 1977 cover most building types except houses.

of providing grants for insulation. Sides should be imposed on those who fail to do so. This could be achieved by rate surcharge until such time as they do the sensible thing. The money thus derived could then be used to insulate the dwellings of those least able to help themselves, especially pensioners.

GENERAL Provisional unemployment figures for December. Mr. Menahem Begin, Israeli Prime Minister, stops in London en route from Washington to Tel Aviv for meeting with Prime Minister.

To-day's Events

Executive special meeting on early retirement. Sir Peter Vaneck, Lord Mayor of London, attends Guild of Freedom dinner, Guildhall, E.C.2.

Investment Trust, Winchester House, E.C. 2, 22, Seckington Road, 10, Mincing Lane, E.C. 3, 30, Yorkshire and Lancashire Investment Trust, 37, Queen Street, E.C. 4.

English National Opera performance The Magic Flute, Coliseum Theatre, W.C.2, 7.30 p.m. D'Oyly Carte Company in The Pirates of Penzance, Sadler's Wells Theatre, E.C.1, 7.30 p.m. Prince of Wales extends carol concert in Westminster Cathedral (8 p.m.) in aid of both the Queen's Silver Jubilee Appeal and the Abingdon, 12.30. Scottish Cites Cathedral Fund.

Grants for insulation

From the Director-General, Fibre Building Board Development Organisation.

Sir, — In wholeheartedly supporting the views of Mr. Sunley on energy conservation (December 15) I may make two further points? First, and most important, that before very much longer the Department of Energy will start offering meaningful advice to those concerned with the 5m, or so dwellings that have no loft or no loft access and therefore cannot install a tank, and to those concerned with the 11m dwellings that do not have cavity walls and therefore cannot inject the cavities with insulating materials.

From the Chairman, Crown House House.

Sir, — I am surprised by the letter from Mr. A. J. Kennard (December 16) in which he questions the practice whereby the Crown House interim figures are headed "approximate".

From The Technical Director, Burke Marketing Research, Europe.

Sir, — Ian McIntyre's comments about advertising research (Advertising's testing time, December 15) are unnecessarily pessimistic.

From the Chairman, Crown House House.

Sir, — As a licensed London taxi driver I feel I must put forward a few points regarding the statement by the Prices Secretary as reported on page 8 on December 15.

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Sir, — I welcome the fact that the Government is planning to increase the price of a new vehicle made by a subsidised company, namely British Leyland, which raises the price of a taxi three or four times a year by 5-10 per cent each time? Also the price of tyres as when the manufacturers deem it necessary to increase the price, the ever-rising cost of fuel, spare parts and insurance, not to mention the cost of labour every time a repair is needed, or the quarterly and yearly police inspections.

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standards for new homes. From the Director-General, The Brick Development Association.

Sir, — I welcome these aspects of the Government's energy saving package as a recognition, at last, of a vital national need. These measures, however, must be viewed merely as a beginning to an energy conservation plan, the logical next stage of which is legislative for improved standards of insulation for new housing, in particular new housing.

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Winnings well reserved

Mr. R. Glass.

I am grateful to Mr. A. H. (December 17) for pointing out further facts and figures from my column (the efficient market theory is not obtainable).

Cab drivers' costs

From Mr. A. Engelmann.

Sir, — As a licensed London taxi driver I feel I must put forward a few points regarding the statement by the Prices Secretary as reported on page 8 on December 15.

Devolution in Wales

From the Chairman, Plaid Cymru.

Sir, — Anthony Moreton's claim (December 12) that support for devolution in Wales is weakening, belies most of the available evidence and his article contains a number of unsubstantiated claims. It is difficult to reconcile his assertion that seven or eight Welsh Labour MPs are strongly opposed to the bill with the fact that only two voted against the principle of the Welsh Assembly during the second reading of the Wales Bill with a further two abstaining and the remainder voting in favour.

Advertising research

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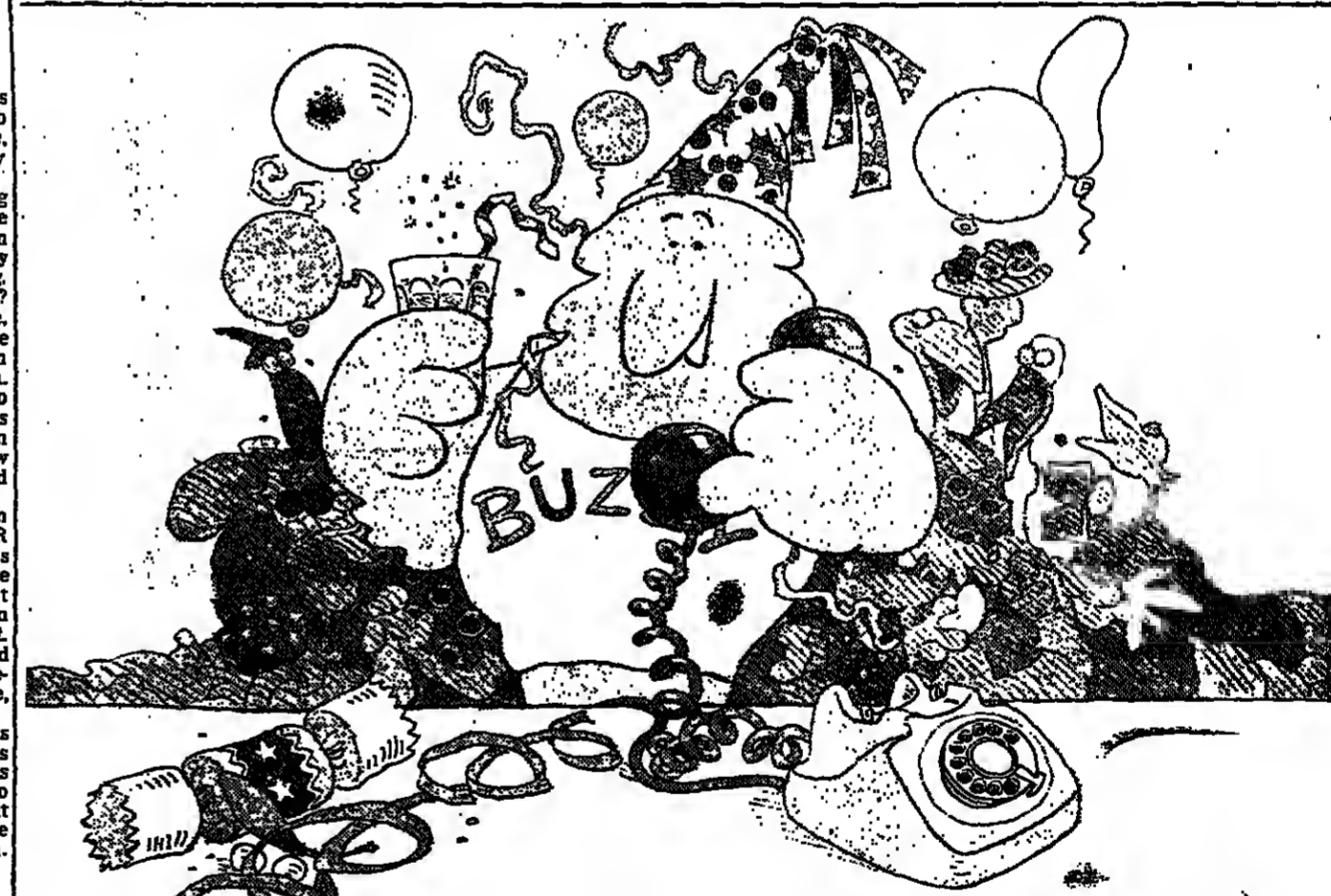
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Buzby's helpful hints on festive phone calls and telegrams to nearest and dearest

"I'm phoning all the people I'm not seeing over the holiday to wish them a Merry Christmas and a Happy New Year. After all, it's Cheap Rate on Christmas Day, Boxing Day (except in Scotland), and New Year's Day.

However, I'm going to bear in mind that on Christmas Day (New Year's Day

in Scotland) a lot of the operators will be with their families and services will be restricted. I've noted the various arrangements you can see below and I'll also make sure I've got any information I need from Directory Enquiries well before the holiday."

ISLAND TELEGRAMS			
ISLAND TELEGRAMS CAN BE RECEIVED BY TELEPHONE AT ANY TIME DURING THE HOLIDAY BUT DELIVERY WILL BE LIMITED AS BELOW.			
To addresses in England, Wales, N. Ireland, Isle of Man and Channel Isles	Dec 25	Dec 26	Dec 27
	Life & Death only	Life & Death only	Public Holiday service
To addresses in Scotland	Dec 25	Dec 26	Dec 27
	Life & Death only	Life & Death only	Public Holiday service (Isle of Man a.m. only)
To addresses in Scotland	Dec 25	Dec 26	Dec 27
	Life & Death only	Life & Death only	Public Holiday service

ISLAND TELEGRAMS CAN BE RECEIVED BY TELEPHONE AT ANY TIME DURING THE HOLIDAY BUT DELIVERY WILL BE LIMITED AS BELOW.			
Christmas Day	Cheap Rate for all calls	Operator Service Restrictions (see below) (Normal operator service in Scotland)	
Boxing Day	Cheap Rate for all calls (except those originated in Scotland where normal Mon-Fri rates apply)	Normal Operator Service	
New Year's Day	Cheap Rate for all calls	Operator Service Restrictions in Scotland only (see below)	
*Operators on duty on Christmas Day (New Year's Day in Scotland) will deal with '999' calls and calls to places which cannot normally be dialled, including transfer charge calls from coinboxes to such places. Except in cases of emergency or distress they cannot deal with any other kind of call or enquiry.			

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

GERMAN CHEMICALS

Veba raises Huels stake

BY GUY HAWTIN

VEBA, West Germany's largest industrial concern in turnover terms, today announced that it is acquiring close on full control of Chemische Werke Huels (CWH). It is purchasing Bayer's 43.65 per cent direct and indirect stake in the smaller, more specialised chemicals operation. The giant energy, chemicals, glass and transport group already has a stake equal to that of Bayer in the Mari-based chemicals manufacturer. The two groups each own 25 per cent of Huels directly, while the remainder is held through their holdings in Chemie-Verwaltungen AG of Frankfurt.

According to the announcement from Veba, the final decision to acquire Bayer's stake in Huels was taken by the Veba supervisory Board this morning. The first nominal DM65.3m slice of Huels shares will pass into Veba's hands on May 2 next year, and the remaining DM90m nominal will be taken over between December 31, 1978, and January 1, 1980.

Herr Rudolf von Benningsen-Foerster, Veba's chief executive and chairman of the Huels supervisory Board, today refused to say how much had been paid

Exports increase sales at Fiat

By Paul Berts

ROME, Dec. 19. THE TURIN-BASED Fiat group tonight said it expected to report higher turnover this year as a result of increased export sales and the general rise in prices.

Last year the company's group turnover totalled more than L11,000bn. After a Board meeting chaired by Sig. Giovanni Agnelli, the company said that this year's performance was generally in line with 1976 performance, when the group reported a profit of L66.5bn (£22m). While the company expects next year to be on the up, that much would however, depend on domestic and world economic conditions.

In recent weeks, Fiat has faced union difficulties over the company's decision to adopt additional temporary whole positive, it indicated shifts for its successful "126" model. The unions oppose these shifts on the grounds that they want long-term investment guarantees from the car group rather than a production policy based on domestic and international market trends.

At the same time, Fiat reported tonight that its nuclear energy subsidiary, Fiat TEG— together with the state-controlled Agip-Nucleare and Breda Termomeccanica— had reached an agreement with the U.S. Westinghouse Electric Corporation for collaboration in the nuclear field.

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AMERICAN NEWS

Massey-Ferguson setback

BY JAMES SCOTT

A SHARP drop in sales in North America in the final two months of its fiscal year, a ten-week strike at its tractor plant at Coventry in the U.K. and the high financing costs of inventories in Brazil, are the main factors behind a big drop in profit at Massey-Ferguson.

For the year ended October 31, profits have fallen to \$US32.7m, or \$1.26 a share from \$117.9m, or \$6.04 a share a year earlier. However, worldwide sales rose to \$2.8bn, from \$2.77bn, because of strong markets in Europe and Africa. Besides a weak market in North America, sales in Latin America and Asia also declined sharply, while the market in Australasia was steady.

North American sales dropped to \$840m, from \$885m last year; sales in Latin America dropped to \$455m, from \$540m; and sales in Asia fell to \$166.7m, from \$205.9m. Sales in Europe rose to \$1bn, from \$890m, partly as a result of the introduction of higher valued products. Sales in Africa rose to \$168.5m, from \$149.5m.

He said these problems will continue in 1978, in line with the disappointing inability of the major economies of the world to invest at higher rates.

For industrial and construction equipment and diesel engines, sales of which rose briefly during the year, the outlook is similar to 1977, with further improvement when world-wide investment strengthens.

The outlook for farming machinery is mixed, he said. Although it appears that some markets will move ahead in 1978, the overall situation is heavily dependent upon what will happen in the important North American market and in Brazil.

Carling buyer named

BY OUR OWN CORRESPONDENT

TORONTO, Dec. 19. THE SALE of Carling National Breweries of Baltimore, Md., \$330m, has been announced. Carling O'Keefe of Toronto, Ont. is the buyer and R. Holdings, a company associated with Rothmans world group.

Rothmans of Pall Mall Canada is a 50.1 per cent shareholder in Carling O'Keefe. The sale brings to an end the company's long-time involvement in the U.S. market, in which at one time it had one of the three largest brands of beer. John L. Carling, chairman and president of Carling O'Keefe, said the company will lose \$311.5m on the sale, along with 30,000 jobs. Operations of Carling National are the first nine months of current fiscal year.

Rothmans of Pall Mall Canada said the transaction will end the drain on resources and the uncertainties surrounding the U.S. operation. As a result, Rothmans will raise annual dividend to \$3.1 a share from 94 cents a share, payable with the March 1978 report.

Kuoni turnover at Sw. Frs. 700m.

BY JOHN WICKS

THE SWISS travel agency concern Kuoni, which has branches in all five continents, anticipates a record year for the house, since 12-month turnover will exceed the peak of Sw.Frs.105,477m, booked for the whole of last year.

Turnover on the Zurich Stock Exchange reached a total of Sw.Frs.102,177m, during the first 11 months of this year, as compared with Sw.Frs.95,337m. for the same period of 1976.

ZURICH, Dec. 19.

Profits are expected to have developed accordingly, only the Argentinian operation failing to reach its 1977 targets due to exchange-rate considerations.

This means that 1977 will be a record year for the house, since 12-month turnover will exceed the peak of Sw.Frs.105,477m, booked for the whole of last year.

No dividend payment from UCB

BY DAVID BUCHAN

UCB, THE BELGIAN chemical and pharmaceutical group, is not paying a dividend for the 1977 financial year, in view of mounting losses, according to a company announcement today. Last year it paid a net dividend of B.Frs.140, but first half 1977 results showed a loss of B.Frs. \$4m (£1.3m) against a profit of B.Frs.22m in the first six months of 1976.

Chrysler SA setback

BRUSSELS, Dec. 19.

CHRYSLER FRANCE SA, of the U.S. Chrysler group, is said to be sharply down on profit figures for the 1976 year. Profit was not given but last year was Frs.214 after a loss of Frs.110m in 1975.

Dow Chemical prospects

THE PRESIDENT of Dow Chemical, Mr. Zoltan Meszari, said that while he expects the U.S. dollar to continue its decline in 1978, this should not be detrimental to Dow earnings during that year, reports Reuter from Midland. He said Dow will continue to be a major exporter, and that he expects its business to grow in a reasonably healthy manner throughout most of 1978.

On balance, he said 1978 will be a year of substantial adjustments to various situations. The problems and difficulties of 1977 will continue into at least the first quarter, and will have an adverse effect on income. Actions to improve profitability and use of assets that were started in 1977 will continue to be given the highest priority.

N. Telecom purchase


NORTHERN TELECOM, main manufacturing arm of Bell Canada, through its main U.S. subsidiary,

is acquiring Danray Inc., a Dallas producer of private telephone exchanges and switching equipment, for cash, reports Robert Gibbens from Montreal.

Montreal SE move

THE MONTREAL Stock Exchange said it obtained final approval for members to have market makers on the floor of the Exchange, reports Reuter from Montreal.

December 1977



Kuwaiti Dinars 5,000,000

Jugobanka

8 3/4 per cent. Notes due 1983

Issue price 99 1/2 per cent.

Kuwait International Investment Co.
s.a.k.

Banque Nationale de Paris

J. Henry Schroder & Co. S.A.L.

Union de Banques Arabes et Françaises — U.B.A.F.

Wardley Middle East Limited

Loeb Rhoades International Limited

The Industrial Bank of Kuwait K.S.C. Alahli Bank of Kuwait (K.S.C.)

Arab Bank for Investment and Foreign Trade Arab International Bank, Cairo Burgon Bank S.A.K.

The Gulf Bank K.S.C. Kuwait International Finance Company S.A.K. "KIFCO"

Arab African Bank-Cairo Arab European Financial Management Co. S.A.K. Arab Finance Corporation S.A.L.

Arab Financial Consultants Co. S.A.K. Arab Trust Company K.S.C.

Byblos Arab Finance Bank (Belgium) S.A. European Arab Bank Limited Nederlandse Credietbank N.V.

Union de Banques Arabes et Européennes S.A.-U.B.A.E. Unione di Banche Arabe e Europee-U.B.A.E. (Italia) S.p.A.

December 1977

Renewed losses in dollar sector

BY MARY CAMPBELL

AS THE DOLLAR sank to new low points against the Swiss franc and D-mark, dollar Eurobond prices drifted lower also. The dollar closed at Sw.Frs.2.0255 and DM2.11075, down from Sw.Frs.2.065 and DM2.1415 at the end of last week.

The continuing lack of demand for dollar issues goes far to explain the pricing of 99 set yesterday on the Shell \$500m offering. No one has to pay for this until the end of January, so that the whole of next month is seen by the managers as part of the offering period. The 99 pricing puts the yield at 8.39 per cent. for its 12 year maturity, or 8.59 per cent. at issue price less the 11 per cent. selling group discount.

About \$250m. of the \$500m total has been placed so far, management sources said yesterday.

In a spot reaction, one dealer said that he thinks the final terms were "very competitive except that no one wants the dollar."

Meanwhile, the French Railway issue has been priced at par with the coupon at the indicated 81 per cent. The surprising change was that the amount of the issue was raised from the scheduled \$40m. to \$45m.

Also priced yesterday was the Sparbankers \$30m, 10 year issue. It was priced at par on an '81 per cent. coupon as indicated.

Two issues were priced yesterday in the D-mark sector. They were the Femer DM100m, 7 per cent issue at 100.1 to yield 7.04 per cent. and the Yugoslav Investment Bank's DM50m, 9 per cent. issue at 99.4 to yield 8.10 per cent.


Yesterday Friday

Medium	101.39	101.41
Long	94.22	93.22
Convertible	107.65	108.22

amro bank

for investment banking, new issues, underwriting and corporate finance

Amsterdam-Rotterdam Bank NV
Head Offices: 595 Herengracht, Amsterdam, telex 11006
119 Coolingsingel, Rotterdam, telex 22211
London Office: 29-30 King Street, London EC2V 8EQ, telex 887139



Branches, subsidiaries or representative offices in Antwerp, Curaçao, Djakarta, London, Tokyo and affiliates in 20 countries.

15th December 1977

DAIWA

DAIWA SEIKO, INC.

(Incorporated under the laws of Japan)

4,500,000 Shares of Common Stock

(par value ¥50 per share)

evidenced by European Depositary Receipts

Daiwa Europe N.V.

Pierson, Heldring & Pierson N.V.

Robert Fleming & Co. Limited

Sumitomo Finance International

Yamaichi International (Europe) Limited	Amsterdam-Rotterdam Bank N.V.	Bank Mees & Hope NV
Bankers Trust International Limited	Banque Bruxelles Lambert S.A.	Banque de l'Indochine et de Suez
Banque Internationale à Luxembourg S.A.	Banque Nationale de Paris	Banque de Neufzelle, Schlumberger, Mallet
Banque de Paris et des Pays-Bas	Banque Rothschild	Banque de l'Union Européenne
Baring Brothers & Co., Limited	Bayerische Vereinsbank	Berling Handels- und Frankfurter Bank
W. I. Carr, Sons & Co., London	Cazenove & Co (Overseas)	Comity Bank Limited
Credit Industriel et Commercial	Dai-ichi Kangyo Bank Nederland N.V.	Daiwa Securities (H.K.) Limited
DBS-Daiwa Securities International Limited	Dillon, Read Overseas Corporation	Deutsche Girozentrale - Deutsche Kommunibank
The Development Bank of Singapore	Fuji International Finance Limited	Dresdner Bank Aktiengesellschaft
First Boston (Europe) Limited	Hill Samuel & Co. Limited	IBJ International Limited
International Financial Advisers, K.S.C.	Jardine Fleming & Company Limited	Kidder, Peabody International Limited
Kiepert, Benson	Kuhn, Loeb & Co. Asia (Sinc)	Lazard Frères et Co.
Loeb Rhoades International Limited	Manufacturers Hanover	Merrill Lynch International & Co.
Samuel Montagu & Co., Limited	Nederlandsche Middelenbank N.V.	New Japan Securities Co., Ltd.
The Nikko Securities Co., (Europe) Ltd.	The Nippon Kangyo Kakumaru Securities Co. Ltd.	Nomura Europe N.V.
Sal. Oppenheim Jr. & Cie.	Orion Bank Limited	Peterebroeck, Van Campenhou, Kempen S.A.
N. M. Rothschild & Sons Limited	Rothschild Bank AG	Salomon Brothers International Limited
J. Henry Schroder Wagg & Co. Limited	Schroders & Chartered Limited	Société Générale de Banque S.A.
Smith Barney, Harris Upham & Co. Incorporated	D. W. Taylor & Company Limited	Tokai Kwana Morgan Grenfell Limited
United Overseas Bank Limited	Vereins- und Westbank Aktiengesellschaft	Vickers, de Costa International Limited
Westdeutsche Landesbank Girozentrale	Wardley Limited	Wood Gundy Limited

INTERNATIONAL FINANCIAL AND COMPANY NEWS

JAPAN LINE Debt moratorium requested

BY DOUGLAS RAMSEY

JAPAN'S SHIPPING and shipbuilding industries suffered new setbacks today in the form of a small shipyard bankruptcy and the petition by the deficit-ridden Japan Line Company to have a three-year moratorium imposed on its debts in Japan.

located in Ehime prefecture, had asked for court protection from creditors who are owed about ¥50m., the biggest bankruptcy by any Japanese company in 1977.

The Hashibama bankruptcy led this week to one of its chief suppliers, Hiroshima Sempaku Dengu Co., also filing bankruptcy papers, with about ¥300m. of outstanding liabilities.

Fuji Photo setback

TOKYO, Dec. 18.

A DRAMATIC reversal in fortune made all the more striking by a rise of 40 per cent in taxed profits for 1976-77—is forecast by the Fuji Photo Film Company for the year ending next October.

The company expects exchange losses this year of about ¥1.6bn. and ¥1.5bn. and as a result after tax profits are going to slump to ¥9bn. compared to the ¥14.07m. announced to-day for 1976-77.

KL Exchange queries Magnum

BY WONG SULONG

KUALA LUMPUR, Dec. 18.

KUALA LUMPUR Stock exchange is asking Magnum to explain the resignation of its directors in recent weeks, which a clear victory for Nominees left only three directors of the Malaysian Chinese Association who have substantial interests in Magnum, and who had nominated Mr. Tan and his group.

tion and increased costs in the face of stagnant selling prices, writes Wong Sulong.

However, the picture is not all gloom as the company has not taken into account the distribution to be made shortly by its wholly-owned cement marketing company of Singapore, which reported an increase in pre-tax profits from 3,052m. Ringgits to 3,922m. Ringgits.

Censure for FEB on bid plan

SINGAPORE, Dec. 18.

THE OFFICIAL Securities Industry Council here has formally censured Far Eastern Publishers (FEB) for not proceeding with its proposed bid for Far Eastern Hotels Development (FEHD), which owns the Singapore Hilton Hotel.

Swedish retailer slips into the red

WILLIAM DULLFORCE

STOCKHOLM, Dec. 19.

Aahlen, the Swedish retail group, shows a loss of 10.2m. in its pre-merger income of Kr.30.5m. from the October 31. This compares with combined earnings of Kr.12.5m. for the previous year, Kr.12.5m. interest was paid on the merger of NK Aahlen when buying the NK shares.

Aahlen accounted for Kr.4.2bn. an increase of 3.6 per cent while the NK shops had a 4.2 per cent increase to Kr.3.95bn.

The preliminary report makes no forecast of 1977/78 earnings, but Mr. Rune Hoglund, the managing director, expects to complete the major part of the group's rationalisation programme by January.

INTERNATIONAL CAPITAL MARKETS Morgan Guaranty reviews Fepasa loan

MARY CAMPBELL

LOWING ITS withdrawal of the \$150m. Brazilian state loan for Light Services loan, Morgan Guaranty was reviewing its position in the Ferrovia do Nordeste (Fepasa) loan which is to be spread of 2 per cent for five years, the second spread of 2 1/2 per cent for seven years, and the third spread of 2 1/2 per cent for eight years.

and 1 1/2 per cent for the last three years. Chase Manhattan Ltd. and First Boston (Europe) were co-lead managers; the loan was originally scheduled at \$75m. The bank is leading a group of German banks in a loan of DM100m. for 12 Yugoslav banks headed by Privredna Banka of Sarajevo.

Table with columns: Country, Bond Name, Price, Yield, etc. Includes sections for Selected Eurodollar Bond Prices, Mid-Day Indications, Floating Rate Notes, and Convertibles.

The Republic of Tunisia US\$125,000,000 Medium Term Loan. Managed by Bank of America International Limited and Chase Manhattan Limited. Co-Managed by Abu Dhabi Investment Company, Banque Belge Limited, Canadian Imperial Bank of Commerce, The National Commercial Bank Saudi Arabia.

Comdima (Compañia para el Desarrollo de la Zona Industrial de Maracaibo C.A.) US \$7,900,000. Guaranteed by Corpozulia. Arranged by Araven Finance Limited. Shareholders: Morgan Grenfell & Co. Limited, Kuwait International Investment Co. s.a.k., Banco del Centro Consolidado C.A., and Banco Latino C.A. In conjunction with Amex Bank Limited. Provided by: American Express International Banking Corporation, Banque Belge Limited, Bank of Scotland, Creditanstalt-Bankverein, The Tokai Bank Limited, Kuwait International Investment Co. s.a.k., Morgan Grenfell & Co. Limited, Banco del Centro Consolidado C.A., Banco Latino C.A. The Borrower was advised in this transaction by Sociedad Financiera de Occidente C.A. Agent Bank Morgan Grenfell & Co. Limited

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES
Off 2 more in cautious early trade £ up sharply

BY OUR WALL STREET CORRESPONDENT

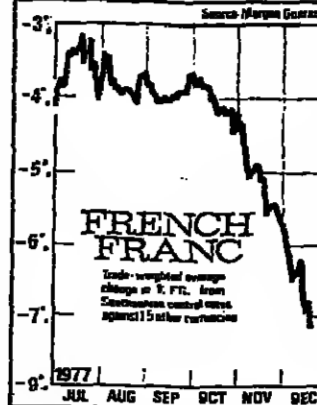
CAUTION CONTINUED
Howley Hale, advanced \$1 1/2 to \$30 1/2.
Twentieth Century Fox declined \$1 1/2 to \$21 1/2...

PARIS - The "Corbelle" stocks weakened in trading conducted only by stockbrokers following a new union strike call to Boursee personnel.
The eight leading French shares quoted all fell, including Paribas, Michelin, Jacques Borel and Rhone-Poulenc.

GERMANY - Share prices were mostly lower on the dollar's renewed weakness and institutional reluctance to take new positions before the year-end.
Yebo and Bayer, which have agreed on a separation of their interests in Chromishe Werke, fell DMI 80 and DMI 50 respectively.

HONG KONG - Slightly easier tendency in a small turnover. East Asia Navigation extended its recent decline, closing at HK\$4.20, down 2 1/2 cents, while Jardine Matheson dipped a further 30 cents to HK\$12.30.

STERLING advanced but the U.S. dollar remained weak in thin trading in the foreign exchange market yesterday. The pound touched a high point of \$1.8740-1.7850 against the dollar, helped by the encouraging trade figures and retail prices index published last week, and also by renewed confidence in the overall U.K. labour situation.



GOLD MARKET

Table with columns for Gold Bullion, Gold, and various international gold prices. Includes prices for London, New York, and other major markets.

FOREIGN EXCHANGES

Table showing currency rates for various countries including Australia, Canada, Hong Kong, India, Japan, etc. Columns include Bank, Rate, and Date.

OTHER MARKETS

Canada irregular
Share prices lacked direction on Canadian Markets early yesterday as the Toronto Composite Index 0.1 harder at 1,045.0 at noon but losses leading advances on the Toronto Exchange by 170 to 182. Gold weakened 10 to 1,230.9 and Banker 1.18 to 236.61.

BRUSSELS - Market failed to establish a decided trend, with the Dow Jones Industrial Average up 1.51 to 1,148.40.
Wainoco Oil the volume leader rose \$1 to \$101, while Flying Diamond Oil put up \$1 to \$27 1/2.

AMSTERDAM - Weaker over a broad front.
Royal Dutch lost Fls. 1.2 in the Dow Jones Industrial Average.
The unchangeable 5 per cent target for average growth of Swiss M-Q Money Supply in 1978 set by the National Bank hardly influenced sentiment.

TOKYO - Market tended to make further progress in fairly active trading, still reflecting expectations of a large Government Budget for fiscal 1978.
The Mark Average rose 30.08 to 4,610.94, with volume at 310m. shares against last Friday's 360m.

CURRENCY RATES

Table showing currency rates for various countries including Australia, Canada, Hong Kong, India, Japan, etc. Columns include Bank, Rate, and Date.

Indices

Table showing stock indices for New York, Dow Jones, and other major markets. Includes columns for Date, High, Low, and Change.

Rises and Falls

Table showing rises and falls in stock prices for various companies and sectors. Includes columns for Company Name, Price, and Change.

EXCHANGE CROSS-RATES

Table showing exchange rates between major currencies like the Dollar, Pound, Franc, etc. Includes columns for Currency, Rate, and Date.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits and loans. Includes columns for Term, Rate, and Location.

FORWARD RATES

Table showing forward rates for various currencies. Includes columns for Currency, Term, Rate, and Date.

OVERSEAS SHARE INFORMATION

Large table listing overseas share information for various companies, including stock prices and changes. Columns include Stock Name, Price, and Change.

INVESTMENT PREMIUM BASED

Table showing investment premium based on various factors. Includes columns for Stock Name, Premium, and Date.

CANADA

Table listing Canadian share information, including stock prices and changes. Columns include Stock Name, Price, and Change.

GERMANY

Table listing German share information, including stock prices and changes. Columns include Stock Name, Price, and Change.

TOKYO

Table listing Japanese share information, including stock prices and changes. Columns include Stock Name, Price, and Change.

Australian wool fall forecast

By Our Own Correspondent
CANBERRA, Dec. 19. AUSTRALIAN wool production in financial year is expected to fall by 4.9 per cent...

Pound's rise keeps metal prices under pressure

BY JOHN EDWARDS, COMMODITIES EDITOR
THE SHARP rise in the value of sterling against the U.S. dollar, kept metal prices under pressure on the London Metal Exchange yesterday.

EEC agrees to interim fishing deal

By Guy de Jonghe
BRUSSELS, Dec. 19. THE THREAT that Norway might expect EEC fishing boats from its waters because of the Nine's inability to decide on an internal fisheries regime has been averted by an agreement...

All change on the balance sheet

BY CHRISTOPHER PARKES
THE Home-Grown Cereals Authority has reduced its estimate of U.K. grain production for 1977-78 by 50,000 tonnes...

USE OF GRAINS AS ANIMAL FEED (1,000 tonnes)

Table with 4 columns: Year, Wheat, Barley, Maize, Other grains, Total. Data for 1975-76, 1976-77, 1977-78.

Japan buys bauxite

By Our Own Correspondent
BOACETOWN, Dec. 19. JAPAN'S bauxite industry announced another sale of 100,000 tonnes of bauxite...

Fire sparks soya price jump

BY RICHARD MOONEY
SOYABEAN MEAL prices soared on the Rotterdam market yesterday following news that production at one of West Germany's largest mills had been halted because of a fire at the week-end...

Rush for fresh turkeys boosts prices

By Our Own Correspondent
FRESH CHRISTMAS turkeys for the highest prices on record at a sale of poultry at Aylesham, Norfolk, yesterday.

New moves in wheat pact talks

BY MARGARET VAN HATTEM
BRUSSELS, Dec. 19. THE U.S. agrees that negotiations for an international wheat agreement should be linked to a comprehensive grains agreement...

Bigger sunflower crop

WASHINGTON, Dec. 16. WORLD SUNFLOWERSEED output this year will be about 12m tonnes, up from 10m, last year, the U.S. Agriculture Department's foreign agricultural service (FAS) forecasts.

U.S. cotton cut plan

WASHINGTON, Dec. 19. THERE WILL be no set-aside for U.S. upland cotton next year, Mr. John White, acting Agriculture Secretary, announced.

COMMODITY MARKET REPORTS AND PRICES

Large table with multiple columns listing prices for various commodities like metals, coffee, grains, sugar, wool, etc.

Advertisement for 'COMMODITY MARKET REPORTS AND PRICES' listing various commodity prices.

Advertisement for 'COMPANY NOTICES' listing various company announcements.

Advertisement for 'SILVER' listing silver prices and market reports.

Advertisement for 'MINT AND CHINERY' listing various equipment and services.

Advertisement for 'CONTRACTS AND TENDERS' listing various contract opportunities.

Advertisement for 'RUBBER' listing rubber prices and market reports.

Advertisement for 'COCA' listing coca prices and market reports.

Large advertisement for 'Republic of Botswana' listing tenders and services.

PRICE CHANGES

Table listing price changes for various commodities like metals, grains, etc.

FINANCIAL TIMES

Table listing financial data and market indices.

NZ lamb for Iran

WELLINGTON, Dec. 19. IRAN WILL buy 30,000 tonnes of New Zealand lamb in a five-year agreement with the New Zealand Meat Exporters Council.

Unidron service to Port Sudan

LONDON, Dec. 19. UNIDRON, OF Alstom, Warwick, international freight forwarder and container owners, has inaugurated a service direct to Port Sudan from Felixstowe.

Tea sale

THE RECENT upward trend in tea prices was maintained at the London tea auctions yesterday.

STOCK EXCHANGE REPORT

Gilts out-perform equities again on renewed demand Share index 2.1 down at 469.8 after another quiet trade

Account Dealing Dates... First Declared Last Account Dealings Last Dealings Day... Nov. 25 Dec. 8 Dec. 15 Dec. 20 Dec. 29 Dec. 30 Jan. 11 Jan. 12 Jan. 13 Jan. 24

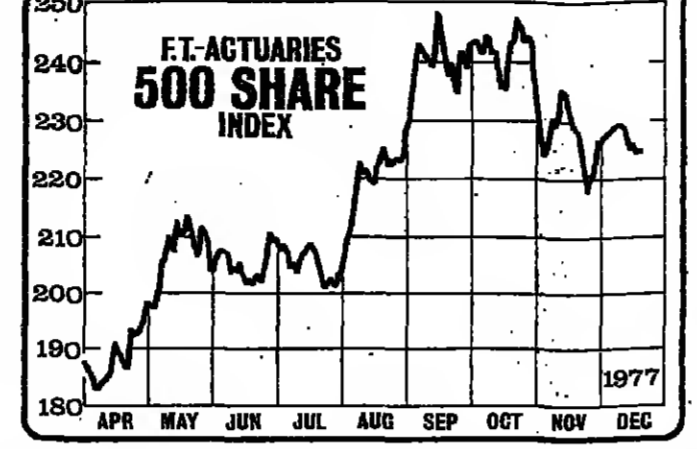
demand for the short tap, Eschquer 81 per cent. 1981 was the withdrawal by the GB of 513 million of 90:13 for stock and accepting later the bid of 95:1, Sterling's impressive performance yesterday gave the market impetus and another marked surge forward at the latter end augured well for Thursday's applications for the 230m issue of new 3 1/2% Treasury 101 per cent. 1980: with only 115 payable on application the issue could be oversubscribed. Having recently been held back by the existence of the tap, the 1982 area became popular again and switching into stocks in this area was to the detriment of issues maturing some seven years later. Corporations followed the main fund and several LCC issues rose a full point, while the recently-issued Kensington and Chelsea 11 per cent. 1982 scrip gained more to 143:1, in 10:10 paid form.

worthy for a rise of 7 to 86p. Johnson-Richards featured Buildings, rising 15 to 345p in reply to higher first half profits and the accompanying 100 per cent. scrip and share-slitting proposals. G. H. Downey rose 4 to 218p as did Newarthill to 132p, while John Finlay hardened 2 to 20p. North Midland Construction, however, softened 2 to 17p on the annual loss. Down 2 last week after news of the interim profits setback, Phoenix Timber lost 4 more to 158p.

up 0 at 188p, and a contrasting late reaction of 7 to 240p in John Brown, there was little worthy of note among the Engineering leaders. Elsewhere, Brockhouse up 4 at 391p, reflected favourable week-end Press mention as did Manganese Bronze, 3 to the good at 64p, after 66p. Other scattered improvements included rises of 3 in Desoutter Bros., 123p, and C. and W. Walker, 120p, while J. H. Dennis put on 2 to 32p. British Steam Specialities responded to the increased half-

Talbot 2 1/2 up to 131p, while Consolidated Properties had 2 1/2 shares in the company. The bulk of the day's trade in Oils was completed in the first hour of business and thereafter prices were rarely tested. British Petroleum shed 2 to 566p while Shell were unaltered at 520p. Fading bid hopes lowered Oil Exploration to 286p before a late improvement to 290p for a net loss of 5, but Cluff Oil put on 25 to 450p in response to Press comment and KCA International hardened 2 to 38p late in afternoon profit statement. Anglo-Australians, Woodside declined 4 to 69p.

Among Overseas Trades, Nigerian Electric firmed 5 to a fresh peak for the year of 220p and shortly closed a penny dearer at 76p, the latter awaiting today's annual results. Among Textiles, favourable newspaper mention directed buying interest to Charles Hardy and Hartport, which rose 6 to 31p, but the weaker closed 5 to 25p on the first-half loss.



Little of interest occurred in the restricted market while ICI cheapened a penny to 18p on the interim figures. Christy Bros. were quoted ex rights at 38p with the new nil-paid shares at 7p premium.

Plessey dull Press review that Plessey was being adversely affected by Japanese competition in the high field took a toll and the close was 3 lower at 90p. Adverse mention also unsettled BSR, 3 down at 96p after 94p. Elsewhere in Foods, Robertson advanced 6 further to 143p despite the chairman's reported denial of big rumours. Nurdia and Penacord improved, 10 to 101p and J. Lyons a penny to 101p; the latter following favourable Press mention. Still reflecting the half-yearly profits fall, Calsons "A" eased 3 further to 72p.

Grand Hotels and Caterers, Grand Metropolitan rallied 3 to 99p in response to week-end Press mention.

Caravans Int. good Losses among miscellaneous Industrial leaders were far better than the sharply higher profits. Evans Colman that amount lower at 427p. Beecham shed 3 to 670p as did Rank Organisation, to 240p. Elsewhere, Caravans International seen in fresh 1977 peaks were featured with a jump of 10 to 77p. Churchbury Estates, 245p, on the sharply higher profits. Evans Colman, 427p. United Press comment helped Sterling Kingdom Property hardened 4 to 230p on news that London

yearly profits with a rise of a penny to 88p. General Engineering Radcliffe eased 4 to 18p on the interim figures. Christy Bros. were quoted ex rights at 38p with the new nil-paid shares at 7p premium.

Stores closed firmer for choice, sentiment being boosted by reports that preliminary spending was so far 25 per cent. up on last year. Gassies A rose 4 to 306p as did Burton A to 99p, while Horsa and Spencer hardened a penny to 155p. Elsewhere, L and J Dewhirst added 3 to 60p and A. G. Stanley, at 140p, recorded a Press-inspired improvement of 2. Still reflecting favourable comment on the industry, Shoes made further progress. Slead and Simpson A added 2 at 57p as did K to 52p. Apart from Hawker Siddeley,

Stores closed firmer for choice, sentiment being boosted by reports that preliminary spending was so far 25 per cent. up on last year. Gassies A rose 4 to 306p as did Burton A to 99p, while Horsa and Spencer hardened a penny to 155p. Elsewhere, L and J Dewhirst added 3 to 60p and A. G. Stanley, at 140p, recorded a Press-inspired improvement of 2. Still reflecting favourable comment on the industry, Shoes made further progress. Slead and Simpson A added 2 at 57p as did K to 52p. Apart from Hawker Siddeley,

Options traded

DEALING DATES... First Last Deal Declared Settlement Nov. 23 Dec. 5 Dec. 19 Mar. 9 Mar. 21 Dec. 30 Jan. 10 Mar. 30 Apr. 11

NEW HIGHS AND LOWS FOR 1977

The following securities closed in the year at their highest and lowest prices... NEW HIGHS (88) G.I.C. 12.5% 1978... NEW LOWS (70) Anglo-Am. Assur. Renewal...

RISES AND FALLS

British Funds... Anglo-Am. Assur. Renewal... Anglo-Am. Assur. Renewal... Anglo-Am. Assur. Renewal...

An otherwise dreary day in stock markets yesterday was relieved by renewed demand for British Funds. Investors in this area were paying little attention, if any, to the sharp rise in average earnings in October and to the opening of negotiations on the engineering wage dispute which could lead to the Government's guidelines: the recent encouraging background news, in the form of good trade figures and the continuing slowdown in the inflation rate continued to provide incentive to buyers and led to gains in, and occasionally more, in the short end of the market and to 11 in the longer maturities.

The Government's new index put on 0.70 more to 77.32, which is within 3 per cent. of last September's 63-month peak, and optimism helped also by hopes of a fall in short-term money rates early in the New Year, was such that confident predictions were being made that the £30m. required to fully subscribe for Thursday's £500m. partly-paid long tap stock would be comfortably exceeded.

In marked contrast, leading equity shares hardly moved, the most part after opening a shade easier. The FT 10-share index was 1 down to 410, and ended at the day's low with a loss of 2.1 at 469.8, the constituent shares sustaining minor losses on balance. Equities as a whole displayed only isolated features on speculative interest, week-end Press comment and trading announcements. Electricals were often lower on adverse comment about profit margins in view of Japanese competition, and positive forward movements were usually confined to the Financial services. Discount Houses showed to particular advantage in sympathy with the strength of Gill-edged.

Funds strong again

British Funds quickly resumed the strong upward established since the previous week and closed with fresh gains extending to 11 points. An enhanced opening level failed to deter buyers who concentrated more on the shorter maturity funds severely affected by the result that the Government Broker not only supplied stock of the new tap, which began life only last Friday at the issue price of 96:1, but also sold for the first time since its issue the special Eschquer 3 per cent. 1981 at 57:1, a measure of the

DISCOUNTS BETTER

Discount Houses mirrored the extended strength of Gill-edged. Alexanders rose 15 to 200p and Union 10 to 160p, while Allen Harvey and Ross, 510p, and Seccombe Marshall and Campion, 240p, put on 10 apiece. Cater Ryder moved up 8 to 302p and Gerrard and National gained 7 to 182p. The major clearing Banks managed modest gains after a thin trade. Lloyds and NatWest ended 3 better at 100p, the common level of 27:1. Hambros put on a similar amount to 220p among Merchant Banks, while Lloyds and Scottish in Hire Purchases, edged forward a penny to 107p awaiting today's preliminary results.

PROPERTIES HARDEN

Interest rate hopes made for fresh small improvements in Properties. Great Portland Estates gained 4 more to 292p. Capital and Counties hardened 2 to 475p and 240p. Falls of 3 were common to otherwise depressed Australian section; the shares advanced 25 more to 900p following the chairman's remarks at the meeting in Brisbane yesterday that the company had received inquiries for more than 45,000 tonnes of uranium oxide for delivery over the ten years to 1990.

RECENT ISSUES

Table with columns: Issue, Amount, Dates, High, Low, Stock, etc. Includes sections for EQUITIES and FIXED INTEREST STOCKS.

RIGHTS OFFERS

Table with columns: Issue, Amount, Dates, High, Low, Stock, etc. Lists various rights offers.

FT-ACTUARIES SHARE INDICES

Large table showing FT-Actuaries Share Indices for Equity Groups, Fixed Interest Stocks, and Active Stocks. Includes columns for Index No., Day's Change, etc.

FIXED INTEREST PRICE INDICES

Table showing Fixed Interest Price Indices for British Government, Low, Medium, High, and Irredeemables.

FINANCIAL TIMES STOCK INDICES table showing various stock indices and their values for Dec 19, 20, and 21, 1977.

HIGHS AND LOWS table showing high and low prices for various stock categories.

OPTIONS TRADED table showing dealing dates and settlement dates for various options.

NEW HIGHS AND LOWS FOR 1977 table listing securities at their highest and lowest prices for the year.

RISES AND FALLS table showing percentage changes in various stock categories.

Table with columns: POLICY, INVESTMENT SPREAD, U.K., U.S.A., Far East, Other countries.

Table with columns: SALIENT FIGURES, 31 October 1977, 1976, TOTAL ASSETS, NET ASSETS per stock unit, GROSS INCOME, DIVIDEND per stock unit.

THE SCOTTISH INVESTMENT TRUST COMPANY LIMITED advertisement. Includes details about the company's policy, investment spread, salient figures, and contact information.

FINANCIAL TIMES advertisement. Includes contact information for editorial offices, advertising sales, and subscription details.

FINANCIAL TIMES advertisement. Includes contact information for editorial offices, advertising sales, and subscription details.

FINANCIAL TIMES advertisement. Includes contact information for editorial offices, advertising sales, and subscription details.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

Table of financial data for offshore and overseas funds, listing fund names, managers, and investment details.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

Table titled 'CLIVE INVESTMENTS LIMITED' providing details about the company and its services.

Table titled 'INSURANCE BASE RATES' showing rates for property, fire, and other insurance types.

Text advertisement for 'FOR DISPOSAL' of a large office development site in Tonbridge, Kent.

INSURANCE, PROPERTY, BONDS

Large table listing various insurance, property, and bond products from multiple providers, including company names and policy details.

NOTES section containing additional information and disclaimers related to the financial data.

EXPORTERS- LANGUAGE BARRIERS ABOLISHED

Contact: B. D. Kay
INTERNATIONAL FACTORS LTD
Circus House, New England Road,
Brighton BN1 4XK Tel: (0273) 66780
Birmingham, Cardiff, Leeds,
London, Manchester.

FT SHARE INFORMATION SERVICE

HOTELS-Continued

Stock	Price	%	Div	Yield
Hotel de Ville	102.00	+	1.00	0.98
Hotel de Ville	102.00	+	1.00	0.98
Hotel de Ville	102.00	+	1.00	0.98
Hotel de Ville	102.00	+	1.00	0.98

**BRITISH FUNDS

High	Low	Stock	Price	%	Div	Yield
101.10	99.75	Shorts '97 (Lives up to Five Years)	100.25	-	8.95	8.82
101.10	99.75	Shorts '97 (Lives up to Five Years)	100.25	-	8.95	8.82
101.10	99.75	Shorts '97 (Lives up to Five Years)	100.25	-	8.95	8.82

**INTERNATIONAL BANK

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	International Bank	99.50	-	5.75	5.74
100.00	98.50	International Bank	99.50	-	5.75	5.74

**CORPORATION LOANS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Corporation Loans	99.50	-	5.75	5.74

CONDOMINIUM & AFRICAN LOANS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Condominium & African Loans	99.50	-	5.75	5.74

LOANS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Loans	99.50	-	5.75	5.74

FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Foreign Bonds & Rails	99.50	-	5.75	5.74

AMERICANS-Continued

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Americans	99.50	-	5.75	5.74

CANADIANS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Canadians	99.50	-	5.75	5.74

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Banks and Hire Purchase	99.50	-	5.75	5.74

HIRE PURCHASE, etc.

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Hire Purchase, etc.	99.50	-	5.75	5.74

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Beers, Wines and Spirits	99.50	-	5.75	5.74

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Cinemas, Theatres and TV	99.50	-	5.75	5.74

DRAPERY AND STORES

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Drapery and Stores	99.50	-	5.75	5.74

BUILDING INDUSTRY, TIMBER AND ROADS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Building Industry, Timber and Roads	99.50	-	5.75	5.74

BUILDING INDUSTRY-Cont.

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Building Industry-Cont.	99.50	-	5.75	5.74

DRAPERY AND STORES-Cont.

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Drapery and Stores-Cont.	99.50	-	5.75	5.74

ELECTRICAL AND RADIO

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Electrical and Radio	99.50	-	5.75	5.74

CHEMICALS, PLASTICS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Chemicals, Plastics	99.50	-	5.75	5.74

ENGINEERING

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Engineering	99.50	-	5.75	5.74

ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Engineering Machine Tools	99.50	-	5.75	5.74

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Food, Groceries, etc.	99.50	-	5.75	5.74

HOTELS AND CATERERS

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Hotels and Caterers	99.50	-	5.75	5.74

ENGINEERING-Continued

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Engineering-Continued	99.50	-	5.75	5.74

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Industrials (Miscel.)	99.50	-	5.75	5.74

ENGINEERING-Continued

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Engineering-Continued	99.50	-	5.75	5.74

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Industrials (Miscel.)	99.50	-	5.75	5.74

INDUSTRIALS (Miscel.)

High	Low	Stock	Price	%	Div	Yield
100.00	98.50	Industrials (Miscel.)	99.50	-	5.75	5.74

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Profit boost as inflation rate slows

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE SLOWDOWN this year in the rate of inflation has resulted in a significant improvement in the underlying profitability of industry. This is shown by the latest figures for Gross Domestic Product in the third quarter published yesterday by the Central Statistical Office...

Table with columns: GROSS DOMESTIC PRODUCT, GDP average volume 1970=100, and GDP price index 1970=100. Rows include 1975, 1976, and 1977 quarterly data.

at least the early part of 1978, with industrial costs rising relatively slowly and demand remaining strong. The sharp rise in the pound and the slow growth of international output this year have cut profits from overseas and from exports...

Shawcross hits at European business morality

By Nicholas Colchester

IN AN OUTPOKED attack on the business morality of West Germany, France and Belgium, Lord Shawcross, chairman of the International Chamber of Commerce's Commission on Extortion and Bribery...

He said that the Commission had gone as far as it could to "meet the views" of these countries in the report, embodying a code of ethical practices which it published in October. The Commission proposed a council with powers, already constrained by opposition from France, Belgium and West Germany...

ATV in £11.59m. cash bid for Tussaud's

BY ADRIENNE GLESON

ASSOCIATED TELEVISION entered the battle for Madame Tussaud's yesterday with a cash bid worth £11.59m.

The bid, made after hours, is worth 55p a share as against the 45p which S. Pearson and Son has offered. With the ATV bid, there is a shares-and-cash alternative offer of three million ordinary shares in ATV...

ive of ATV, said that the company had considered buying Tussaud's for some weeks, and had started to purchase shares in the market.

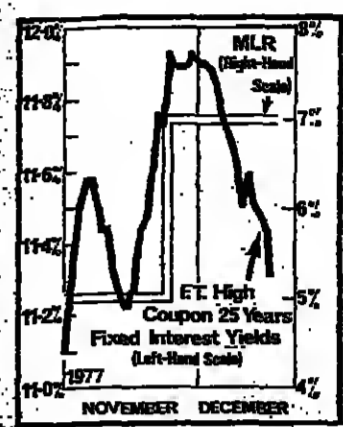
Announcement of the bid from Pearson had forced the company's hand. Tussaud's was an ideal purchase for ATV, being complementary to its activities, he said...

THE LEX COLUMN

Hostility to the price controls

While equities remained listless yesterday, and turnover continued at last week's dismally low levels, the gilt-edged market is gearing itself up for a good old-fashioned punt on next Thursday's issue of Treasury 10 1/2 per cent 1999 (£15 paid). Prices at the long end of the market were 1 1/2 points ahead and at the shorter end of the market the Government Broker was supplying the short tap.

Index fell 2.1 to 469.8



being asked to hand over details of past and projected future profits of their overseas subsidiaries as well as of their home based activities...

£16.9m. does not herald over bid by the U.S.-based company. Its investment has been limited to 29 per cent, as the Takover Panel's rules on mandatory bids are not triggered. However, Allegheny's paying quite a price for the share, which is higher than the market price of Wilkinson ever been, and represents a premium of over a third yesterday's opening price.

Granada

Despite the fact that Granada's preliminary figures end-September, 1977, for ten months of the television industry's voluntary freeze, U.K. rental profits up 27 per cent at £15m...

Miners' incentive scheme agreed

BY CHRISTIAN TYLER, LABOUR EDITOR

THE FIRST fully-fledged miners' output incentive scheme has been agreed in principle with the Nottinghamshire area of the National Union of Mineworkers, the union's second largest constituency.

Announcing this yesterday, the National Coal Board's area director also said that output in the 15 pits in the north of the county had hit the highest production figure for five years. The popularity of bonus pay schemes has grown sharply since the union's national executive effectively cancelled the decision of a pithead ballot and gave priority for areas to set their own deals.

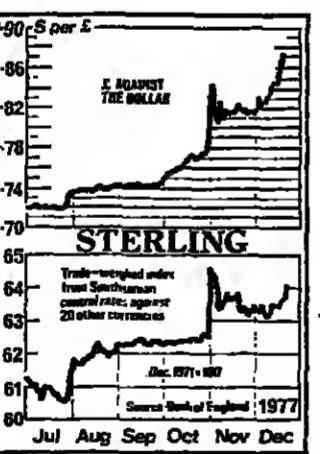
Danes win £29m. contract

COPENHAGEN, Dec. 19. DANISH construction companies Hoejgaard and Schultz and Bruun and Soerensen have won a Kr.275m. (about £29m.) contract to build a complete township at Jeddah in Saudi Arabia...

Pound highest against dollar since April last year

BY MICHAEL BLANDEN

THE POUND rose sharply in foreign exchange markets yesterday to reach its highest levels since April last year. At its best, sterling was nearly 2 cents up against the U.S. dollar at \$1.8745. At the end of dealings in London the rate had slipped a little, but still showed a rise of 1.85 cents at \$1.8735.



In terms of its trade-weighted index against a basket of currencies, the rise in the pound has been less dramatic because of the over sharper gains against the dollar recorded by the D-Mark and the Swiss franc.

Although Yorkshire, with nearly one-third of Britain's miners, is unlikely to be able to negotiate separately on wages, it could initiate a campaign of industrial action against the Government's 10 per cent pay guidelines in the national negotiations next year.

Japan's current account heads for \$10bn. surplus in 1977

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 19.

JAPAN'S SURPLUS on current account in 1977 now seems certain to exceed \$10bn. after \$8.83bn. and a previous peak figure of \$1.215bn. registered last July on a non-adjusted basis, the surplus works out slightly lower at \$1.170bn.

Main components in the current account balance were a trade surplus of \$1.610bn. and an invisible deficit of \$490m., somewhat lower than the October deficit.

The surplus is attributed to foreign speculation in favour of the yen which produced a heavy inflow of hot money during November. Foreign investments in Japanese bonds had a similarly boosting effect on the long-term capital balance, halving the deficit in this sector to \$300m. from the October figure of \$617m.

Weather

Table with columns: U.K. TO-DAY, Scotland, Glasgow, Argyll, and various weather reports for different regions.

Cawoods

Interim Results

- Chairman Edward Binks reports: * Group turnover increased by 21%. * Group profits before tax increased by 19%. * Retained earnings up by £1.13m. * Fuel Stocks rose to £52.2m. * Lower second half interest earnings, nevertheless, another satisfactory year's result is expected.

Summary of Results table with columns: Half year to 30th September 1977, Year to 31st March 1977, and Year to 31st March 1977. Rows include Turnover, Profit before taxation, Profit after taxation, Earnings per ordinary share, and Dividend per ordinary share.

Cawoods Holdings Limited, Southlands, Ripon Road, Harrogate, HG1 2HY. Fuel Distribution, Building and Road Materials, Quarries, Ready Mixed Concrete, Refractories, Container Shipping, Packaging, Computer Services.